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ABSTRACT

This document contains testimony, prepared statements, letters, and supplemental materials submitted during hearings held in Washington, D.C., on February 28 and March 6, and in Alexandria, Virginia, the evening of March 6, 1978. The first day of the hearings, Joseph Califano, the Secretary of HEW, presented the administration's proposal for reauthorization of all the major federal elementary and secondary education programs that was subsequently introduced as bill H.R. 11282. The bill is to extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist state and local educational agencies to enhance the quality of their education programs, to improve the administration of federal elementary and secondary education programs, and for other purposes. Califano was questioned at length by members of the subcommittee. The second day of the hearings in Washington, the committee heard from Commissioner of Education Ernest Boyer, who elaborated on how the administration's legislative package will improve administration of these programs and cut down on paper work. An additional 16 witnesses were heard at that hearing and nearly 30 witnesses testified that evening in Alexandria, Virginia. Testimony offered by witnesses concerned various aspects of the bill: primarily allocation methods, distribution of funds, and paperwork involved. (MLF)

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ED 169611

PART 21: THE ADMINISTRATION'S PROPOSALS FOR ELEMENTARY AND SECONDARY EDUCATION

HEARINGS

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

H.R. 11282

TO EXTEND AND AMEND THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AND RELATED PROGRAMS, TO ESTABLISH PROGRAMS TO PROMOTE THE IMPROVED ACHIEVEMENT OF CHILDREN IN BASIC SKILLS AND TO ASSIST STATE AND LOCAL EDUCATIONAL AGENCIES TO ENHANCE THE QUALITY OF THEIR EDUCATION PROGRAMS, TO IMPROVE THE ADMINISTRATION OF FEDERAL ELEMENTARY AND SECONDARY EDUCATION PROGRAMS, AND FOR OTHER PURPOSES

HEARINGS HELD IN WASHINGTON, D.C., ON FEBRUARY 28
AND MARCH 6 (2 P.M.); ALEXANDRIA, VA.,
MARCH 6, 1978 (7:30 P.M.)

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*

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PART 21: THE ADMINISTRATION'S PROPOSALS FOR ELEMENTARY AND SECONDARY EDUCATION

TUESDAY, FEBRUARY 28, 1978

House of Representatives,
Subcommittee on Elementary, Secondary
and Vocational Education,
Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:10 p.m. in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Ford, Blouin, Murphy, Weiss, Heftel, Corrada, Kildee, Miller, Quie, Buchanan, Pressler, Goodling, Pettis, and Pursell.

Staff present: John F. Jennings, majority counsel and Nancy Kober, staff assistant.

Chairman **Perkins**. The Subcommittee on Elementary, Secondary, and Vocational Education is conducting a hearing today on the administration's proposals for reauthorization of all the major Federal elementary and secondary education programs. We are proud to welcome this afternoon the Secretary of Health, Education, and Welfare, the Honorable Joseph Califano.

Mr. Secretary, we have all looked forward to this hearing and to the President's ESEA proposals with a great deal of enthusiasm. For the past year, the subcommittee has worked diligently reviewing all the expiring programs, examining the merits of various proposals to amend them, and listening to the suggestions of hundreds of people from around the country. At the same time, the administration has been devoting its energies in the past many months toward the same goals. I consider today the culmination of this process as now on the eve of markup, we come together to share what we have learned.

Mr. Secretary, I would like to commend you and all of your staff who worked on your proposals for all the months of preparation and thought you and they have given toward improving the Federal role in elementary and secondary education. I know that I am greatly encouraged by the President's budget proposals for these programs and by many of the things I heard at this morning's press conference.

I look forward to the next few months in hopes that the Congress and the executive branch can work hand in hand together to improve American education.

As I stated, I am delighted to welcome you here. At this time, we will hear from you, Mr. Secretary.

[The prepared statement and additional material submitted by Hon. Joseph A. Califano follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

TESTIMONY OF

SECRETARY JOSEPH A. CALIFANO, JR.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

OF THE

HOUSE EDUCATION AND LABOR COMMITTEE

February 28, 1978

Mr. Chairman, and members of the Subcommittee on Elementary, Secondary and Vocational Education:

It is a great personal privilege to discuss with you today President Carter's proposals for reauthorizing the Federal elementary and secondary education programs.

This Subcommittee has long exercised outstanding leadership in fashioning needed reforms that have upgraded education for millions of America's young. You especially, Mr. Chairman, have had a profound impact in making this nation's educational system more responsive and more effective. You know, better than almost anyone, that equal opportunity in life is impossible without dedicated teachers, strong school administrators and excellent systems of education for the children of our nation.

The Subcommittee's carefully conducted oversight hearings on elementary and secondary education -- the most extensive in more than a decade -- have been a great resource to the Administration as we have prepared our reauthorization proposals. And we are grateful to the Subcommittee, and its fine staff, for the cooperation we have received during the past months as we sought advice and counsel.

Today this Subcommittee, the Congress and the American people know that education has no better friend than President Carter. Like you, the President understands the incalculable value of elementary and secondary education. Like you, he knows that we must do more to ensure that all our children develop their capacities to the utmost through the educational process. And like you, he is committed to a crucial, catalytic and supporting role for the Federal government that complements traditional State and local control of elementary and secondary education.

The reauthorization of the elementary and secondary education programs allows Congress and the Executive to reassess and then re-establish the Federal educational agenda. We welcome the opportunity to work jointly with you on that important task.

The Basic Themes

Underlying the varied legislative changes in ESEA suggested by the President are four central and interrelated concerns that define the Federal priorities in elementary and secondary education.

First, we reaffirm the Federal government's strong commitment -- established over the last 15 years -- to programs that ensure access and equal educational opportunity for disadvantaged, handicapped, language limited, Native American and minority students.

Through programs like Title I, Bilingual Education, the Emergency School Aid Act, and the Education for the Handicapped Act, the Federal government has recognized its special role in providing extra educational resources for the disadvantaged children of this nation. That is a noble function. And we firmly believe it should be continued.

Some programs have, after initial difficulties, begun to work effectively. In particular, Title I -- as recent studies mandated by you and sponsored by the National Institute of Education and the Office of Education demonstrate -- is now administered more efficiently and, more importantly, is leading to real gains among students during the school year. Other programs, such as bilingual education, still need to become more systematic and effective.

But whether we strengthen programs already working well or upgrade programs facing difficulties, we underscore and renew, through this reauthorization legislation, the substantial Federal commitment to improving education for the disadvantaged. Indeed, much more still needs to be done, since millions of our economically disadvantaged, handicapped or language limited students are still not being adequately served.

We are concerned that a lawful share of Federal funds flow to disadvantaged students in nonpublic schools, and we will take both legislative and administrative steps to achieve this important objective in a manner consistent with the Constitution.

Second, the President is deeply and personally concerned that Federal programs help State and local governments perform the fundamental mission of ensuring that elementary and secondary school students learn the basic skills of reading, writing and mathematics.

If access and equal educational opportunity have been the dominant theme of Federal programs in the past, we hope to make basic skills achievement and educational quality a dominant theme in the future.

Indeed, equality of educational opportunity and achievement of basic skills are clearly complementary goals, for without the basic skills no child is prepared for life's challenges -- for further education, for employment and for citizenship.

I must emphasize that the President cares deeply about this subject, for he has stressed basic skills attainment in virtually every discussion we have had with him on education and on the education reauthorization.

The President -- like parents, teachers and administrators -- is disturbed by the decline in many test scores and the evidence that many students are not mastering the fundamentals of education. For example, according to the National Assessment of Educational Progress, 12 percent of the 17 year olds in 1975 were functionally illiterate and 34 percent could not determine the most economical size of a simple consumer product. And we know that, among disadvantaged students, gains in basic skills made during the school year are often lost during the summer months, and gains made during the early grades are often not sustained in secondary school.

Thus, we are dedicated to seeking new ways to help the States and localities teach students basic skills -- for example, through summer school programs, expanded efforts in secondary schools, more teacher training, and improved State and local testing programs.

Basic skills are not the end of elementary and secondary education, but they are the foundation. The Federal government must work with the States and localities to make that foundation secure.

Third, we will seek new ways of relating the schools to other social institutions -- the family, the workplace and other social services.

The Federal government can, in this important area too, highlight problem areas and work with State and local governments in laying the groundwork for more effective programs.

- Parents can be critically important in their childrens' learning process. We will explore methods of encouraging greater parental involvement -- in providing materials for use in the home during the summer, for example, or through new home-based technologies.

- With youth unemployment and high school dropout rates both at unacceptably high levels, there can be no question that relating schools and the employment experience is a high national priority. This need is reflected in a stark statistic: in 1976, among high school dropouts aged 16-24, the unemployment rate was 35 percent -- nearly twice as high as the 18 percent rate among those of the same age who had completed high school. Through work-study programs, through magnet schools, and through other expanded efforts to make schools the locus for training programs, educational institutions can begin to play a more important role in addressing this pressing national problem.

- Many of the difficulties that beset the nation's elementary and secondary schools -- especially the high schools -- result from forces beyond the school: increased violence, drug abuse and teenage pregnancy. By linking the schools and other social services, States and localities can begin to make inroads on -- although they cannot alone solve -- these fundamental social problems. Again, the Federal government should begin to play a more active, catalytic role in this area.

Finally, we seek to forge a new Federal-State partnership that encourages States and localities to help carry out Federal priorities.

Numerous State and local officials have presented testimony to this Subcommittee and to the Department on how Federal administrative practice hinders, rather than helps, effective delivery of programs.

We are aware of the need to reduce paperwork, to streamline procedures, to relax some fiscal controls and to give State and local government greater flexibility in implementing Federal programs.

As a former Governor, President Carter is also profoundly concerned that we not just give lip-service to creating a new Federal-State-local partnership in education, but that we actually make substantial progress toward that important goal.

The Budgetary Backdrop

These are the themes that have guided the development of our legislative proposals. But to understand this Administration's deep commitment to improving the quality of elementary and secondary education, these proposals must be seen against the backdrop of the President's Fiscal 1979 budget.

As this Subcommittee knows only too well, the years from 1969 to 1977 were a period of conflict between the Executive and the Congress over the education budget. In those years, through the attention and concern of the Congress. the Federal budget for elementary and secondary education grew at an average annual rate of about 10 percent (from $2.5 billion in 1969 to $5.2 billion in 1977). It was common for the President to request far less than the Congress appropriated.

This year, however, President Carter has submitted an historic education budget.

- The President's request for elementary and secondary education is up nearly $900 million in Fiscal 1979 over Fiscal 1978 -- from $6 billion to $6.9 billion -- an increase of 15 percent.

- This is the largest dollar increase requested by a President for elementary and secondary education since 1966 and is a $2.2 billion increase over President Ford's Fiscal 1978 request.

- This increase in Federal funding for elementary and secondary education is complemented by the request for almost a 40 percent growth in student assistance programs for higher education -- from $3.8 billion to $5.2 billion.

- In fact, the President's fiscal 1979 request for HEW's education programs is more than $5 billion above President Ford's Fiscal 1978 request.

This budget demonstrates the Administration's desire to work closely with the Congress in developing and implementing sound policies for American education.

The Legislative Proposals

Let me now describe the highlights of the President's reauthorization legislation. I am also submitting for the record an appendix to my testimony which describes the legislative proposals in greater detail.

Title I. Mr. Chairman, as one of its strongest supporters, you know well that Part A of Title I performs a critical function in providing funds for supplemental compensatory services to children from low income families. At present, the basic Title I program reaches about 5.6 million of the 9 million eligible children, and 80 percent of those served are in grades 1 to 6. Title I funds go to 14,000 of the nation's 16,000 school districts.

We propose the following additions or changes in this, the core Federal elementary and secondary compensatory program:

- The Targeting Provision. Districts with especially high concentrations of low income students need our special attention. Within each state, the same amount of money per poor child is distributed to each district so that those with high concentrations of poor children receive the same amount per pupil as do less poor districts.

Districts with very high concentrations of poor students have special problems. First, additional educational needs -- necessitating additional educational resources -- are created by large concentrations of poverty children in schools and school districts. Second, Title I dollars don't go as far in very poor urban and rural districts as they do in other school districts, due to high costs in urban areas and the very low State and local per pupil expenditures in the poorest rural areas.

To meet these problems, we propose that a targeting provision be added to Title I to inject some extra funds -- on top of Part A -- into these poverty-stricken areas. The funds would be allocated to Districts that have at least 20 percent or 5000 poor students. The President has requested $400 million in Fiscal 1979 for this provision.

Using this formula, extra funds would flow to about 3500 of the nation's 14,000 Title I districts, containing approximately two-thirds of the nine million Title I eligible students.

These funds would, like Part A funds, be targeted primarily on basic skills achievement. (A State-by-State breakdown of the funds is included in the Appendix discussion of the targeting provision.)

Districts could spend the additional funds on the same number of pupils that now receive services -- leading to an average increase of $140 per pupil and resulting in "full funding," i.e. more than $560 per student, for the 4 million students receiving services in the targeted districts. Alternatively, the Districts could use the funds to increase the number of students participating in the Title I program -- and, assuming expenditures at the present per pupil rate, an additional 900,000 children could be served, leading to an average 77 percent participation rate in the affected districts, up 14 percentage points from the present national level of 63 percent.

The targeting provision is an important addition to Title I. Through it we would provide extra resources where they are needed most, while maintaining a strong Part A program.

- State Incentive Provision. With nearly $3.4 billion requested for Title I in Fiscal 1979, the Administration has demonstrated a deep commitment to this basic compensatory education program. In the future, we hope to obtain greater State financial involvement in the Title I mission, especially because not all Title I children are covered at present and because States are, increasingly, developing budget surpluses.

Accordingly, we propose a new part of Title I that would match expenditures by States for compensatory education programs at the rate of one Federal dollar for every two State dollars. To qualify, a State compensatory program would have to be very similar to Title I: funds must be used for disadvantaged children; funds must be used for supplemental, compensatory purposes; and the State program must be evaluated on a regular basis.

To ensure that some incremental Title I dollars are used to leverage State funds in the future, we also propose that, in Fiscal 1980, the minimum appropriated for the State incentive provisions will be 20 percent of any increase in Part A. At present, twelve states would qualify for funds under this incentive provision, and six additional states have compensatory programs that could qualify with modest changes.

- Program Quality. In order to improve the quality of Title I programs, we would require local districts to indicate in their applications for funding that the following requirements will be met:

- -- increasing the involvement of parents in the education of their children -- for example, by informing parents that their child is in a Title I program, explaining the program's instructional goals, and describing the child's progress;

- -- involving teachers in planning and evaluating the Title I program;

- -- evaluating the program to determine whether achievement gains are sustained beyond a single school year;

- -- consider providing more sustained services, such as summer programs and programs in junior and senior high school, in order to counteract the drop-off in Title I progress during the summer and in the higher grades.

● Program Flexibility. In order to increase local flexibility in the administration of Title I, we also propose to allow local districts to use Title I funds for total school plans in schools with more than 80% Title I students and, under certain circumstances, to give districts more discretion about which schools receive Title I and other State compensatory funds.

Basic Skills and Educational Quality. To underscore the President's concern about basic skills achievement and integrating the school with other institutions, we propose a new demonstration Title of ESEA -- the Basic Skills and Educational Quality Act.

- The New Act. At present, the National Reading Improvement Act is a loosely focused statute that establishes, among other things, demonstration programs to improve reading skills. We propose to refocus and strengthen this authority into a Basic Skills demonstration authority that would seek to improve basic skills instruction and achievement in Federal, State, and local programs. The Basic Skills authority would be broadened to include writing, oral and mathematical skills.

In addition, we would have the authority to:

-- assist State and local authorities in the use of competency testing;

-- sponsor demonstration programs that would enlist parents in helping their children learn basic skills;

-- sponsor development of improved technology and institutional materials;

-- disseminate the most promising basic skills programs to State and local authorities.

We hope that creative use of this authority will stimulate a national effort to find better ways to advance attainment of basic skills.

- A Related Concern: Extending the School. An existing demonstration authority -- the Special Projects Act -- contains the Community School and Career Education programs. We would build on these programs within the Special Projects Act framework to initiate demonstrations to strengthen the links between secondary schools and work opportunities. Possible projects include work-study programs, provision of job training at schools in conjunction with business and labor, and more effective career counseling and guidance services. In addition, we could fund programs to develop more systematic integration of schools and social services and to use the community as a learning environment. Extending the school to the work place and to other social services is an important step in reinforcing and acheiving the school's fundamental mission of teaching basic skills and attaining quality education.

- State Programs. To reflect the emphasis on basic skills and educational quality in the Federal demonstration authorities, we propose a restructuring of the State based resource and demonstration programs contained in Title IV of ESEA.

- A revised Part C would focus on improving local educational practices. In addition to guidance and counseling activities, it would include a new set-aside for State-approved, locally-run programs to improve practices in basic skills and compensatory education.

- Another revised part would strengthen State educational agency management and include requirements that States establish methods of coordinating teacher training activities funded from a variety of Federal, State and local sources.

- The provision of instructional materials and library resources would continue, with a new authority for schools to purchase materials that parents can use in tutoring their children at home.

Private Schools. President Carter is very concerned that, consistent with the Constitution, nonpublic school children receive their equitable share of funds provided under Federal elementary and secondary education programs.

Although estimates in this area are quite rough due to poor record-keeping in the past, we estimate in Fiscal 1979 that private school students will receive between $100 and $250 million out of the $6.9 billion requested for Federal elementary and secondary programs. We also estimate that with appropriate legislative and administrative changes, nonpublic school students could receive from $100 to $250 million in additional funds in Fiscal 1980 -- funds to which they are legally entitled.

We must take all constitutionally appropriate steps to ensure that private school children receive the funds that are their due. Providing money to private school students through the existing programs -- many of them based on well-defined educational needs -- is a far superior way of ensuring the diversity of education in America than the shotgun approach of a tuition tax credit. A $500 tuition tax credit under consideration by the Congress would, if enacted into law, deliver a devastating blow to public school education in this country. It is indiscriminate, affecting rich and poor alike. And it is inequitable -- the Congress would, if private school families received the full benefit of the credit and if they received their full share of existing Federal programs, be providing about four times as much money per private school student as it presently provides per public school student.

For each private elementary and secondary school student, the Congress would provide the $500 from the tax credit, plus the approximately $60 per student that private school students could receive under existing Federal programs -- all this for private school students -- compared with only $128 per pupil for public school students under existing Federal programs. The proposal, in short, stands the American tradition of public education on its head.

By contrast, to ensure equitable treatment of private school students consistent with sound constitutional interpretation, we propose the following legislative changes:

- In Title I, require that spending for educationally deprived nonpublic school children is comparable, consistent with their numbers and education need, to spending for public school children; require that new Title I funds distributed through the Targeting and State Incentive provisions are subject to the same equitable standard; require that State plans contain monitoring and enforcement provisions concerning participation of nonpublic school children.

- In Title IV, require States to develop a plan for ensuring equitable participation of nonpublic school students in all Federal programs.

- Strengthen and clarify the "by-pass" authority which the Federal government may use to provide constitutionally permissible services directly to nonpublic school students if the States and localities fail to discharge their statutory obligations.

In addition, we have also taken, or will take, administrative steps to fulfill the President's commitment to private education:

- We will establish a new Office for Nonpublic Schools within the Office of Education. This Office will coordinate all Federal education programs which call for the participation of private school students, obtain information about the level of nonpublic student participation in federally funded education programs, and process complaints.

- We have already established a much more precise and systematic complaint process.

- We will make sure that qualified representatives of private schools are placed on educational advisory committees.

The Emergency School Aid Act. This legislation was enacted in 1972 to help school districts meet the needs arising from desegregation. In essence, we propose reforms that will implement the original purpose of this legislation and that will target assistance more directly on school districts currently undergoing desegregation or with pressing problems clearly related to previous desegregation activity.

ESAA has two basic allocation mechanisms. In the "apportionment" programs, which include basic grants, pilot projects and grants to non-profit organizations, funds are distributed to the States on the basis of minority enrollment, not necessarily on the level of desegregation activity. Under the discretionary section of ESAA, the Assistant Secretary conducts a national competition and determines which Districts need funds to deal with the immediate effects of school desegregation.

- Revision of State Apportionment. Studies have demonstrated that while some of the funds allocated under the State apportionment mechanism are used for desegregation related activities, other apportionment funds are used solely for compensatory education. Given the purpose of the Act and given emerging desegregation needs across the nation, we propose limiting the funds distributed by the apportionment mechanism.

At present, more than $30 million is distributed through apportionment for pilot projects which are compensatory in nature. We would move these funds from the apportionment to the discretionary section of ESAA, and then hold apportionment funds at $155 million, thus maintaining Fiscal 1978 apportionment levels for basic grants and grants to non-profit organizations.

This proposal will make available needed funds for new desegregation activity. The States which presently receive ESAA pilot project funds will be more than compensated by additional Title I funding.

- Multi-year grants. We also propose to initiate multi-year grants to be given for a period of up to five years, in contrast to the present year-by-year grant process. This change will allow longer-term planning by Districts and will reduce the yearly administrative burden at Federal, State and local levels. There will be an annual civil rights clearance, however, to ensure continuing compliance with applicable civil rights laws.

- State Grants. We propose creating authority for discretionary, matching grants to States that have programs which assist local officials with their efforts to plan for and promote voluntary reductions in racial isolation. This authority will allow the Federal government to encourage successful desegregation programs already underway in some States. Nine States currently have statutory authority to seek desegregation. Federal funds would be used for planning, technical assistance and training, and a State must show that the application submitted to the Federal government was the result of broad-based participation by affected parties in the relevant communities before it can be eligible for the 66 percent Federal match.

Bilingual Education. Title VII was established in 1968 as a demonstration program to encourage and disseminate bilingual education practices, to establish teacher training programs and to evaluate the state of bilingual education in the nation. In Fiscal 1978, the $135 million appropriation will support 565 demonstration projects in 67 different languages, and serve approximately 255,000 children.

Although the aims of this program are unquestionably sound, no techniques have emerged as models to be followed across the nation. Major problems include lack of trained bilingual teachers and inadequate curricular materials.

I strongly endorse the central purpose of Title VII -- to provide basic English language skills instruction to those who speak another language. And we propose the following changes in the program:

- Research. We would increase the authorization for research by $15 million, and place special emphasis on research directed to teacher training and the ways in which cultural background can aid English language instruction. This 300 percent increase in the authorization for research, evaluation and data collection reflects our desire to develop, at last, systematic information on this ten year old program.

- Time Limit Federal Funds. Title VII is a demonstration program, and there should be an opportunity for different schools to try different instructional techniques and programs. Accordingly, we would limit Federal funding in particular schools to five years and phase down the funds over the life of the project as State and local support increases. In the project application, districts would have to indicate how they will develop the capacity to assume program responsibility. Under circumstances causing exceptional hardship, such as demographic shifts, the Commissioner may waive the five year time limit requirement.

- Parental Involvement. We propose that parents have the opportunity to be more deeply involved in the program, both in preparing the grant application and in the instruction of their children.

Impact Aid. The purpose of the Impact Aid program is to compensate local school districts for the cost of educating children when enrollment and availability of local revenues are adversely affected by Federal activities in the area. As this Subcommittee knows well, it is an annual rite of Spring for the Executive Branch to march up Capitol Hill with a broad proposal to reform Impact Aid and to march down the Hill in the summer without it. Last June, Mr. Chairman, you and I exchanged letters sharing a mutual hope that we could come up with a more feasible Impact Aid reform.

This year we do have a more modest, more carefully crafted proposal that provides aid to those Districts which genuinely bear a significant federal burden. We believe this proposal can form the basis for a meaningful reform that the Congress will approve. Its essential features are as follows:

- Payments for children whose parents work on Federal property outside the county in which the school district is located -- out of county "Bs" -- will be eliminated. These children are not associated with a loss of taxable property to the school district because they live on taxable residential property within the district.

- We would undertake a study of the impact and feasibility of eliminating payments for other children whose parents work on Federal property outside the school district, since data are not now available on these "out of district" effects.

- We propose a 3 percent "absorption" provision that would eliminate payments for the number of Federal children equal to 3 percent of the district's non-federal enrollment. This proposal is based on the fact that the national average of federal children in school districts is about 3 percent of non-federal enrollment -- thus there is no special Federal burden for districts with 3 percent or less.

- We propose changes in the method of computing the local contribution rate -- the amount paid to the district per child -- that will more accurately reflect the real nature of a district's burden.

- We would hold payments for "public housing" children at Fiscal 1978 levels for Fiscal 1979 and 1980, and then phase them out. Public housing property is locally, not Federally owned, and the Federal government provides substantial aid to the community through housing subsidies, debt service guarantees, and other mechanisms aimed at helping public housing residents. Moreover, our commitment to assist districts with high concentrations of poverty is reflected in our Fiscal 1979 budget request and in ESEA legislative proposals.

- To ensure that no district will suffer a sudden decrease in payments as a result of these reforms, we propose a 75 percent hold harmless provision.

If these reforms took effect in 1979, program costs would be $735 million, a savings of $76 million below the $811 million it would cost to carry out the program under current law. With these reforms, program costs in 1982 would be approximately $717 million, compared with program costs of over $1 billion without reform, leading to savings of about $336 million in that year.

Special Projects -- Structural Changes: At present the Special Projects Act, which includes a number of small categorical programs like Gifted and Talented Children and Arts in Education, is a source of administrative confusion to State and local officials. Under our ESEA proposals, as noted, certain programs presently within Special Projects -- Career Education and Community Schools -- will be augmented to forge important linkages between the schools, the work place and other social services. Moreover, we would move Alcohol and Drug Abuse and Environmental Education into the Special Projects Act.

We also propose to reshape Special Projects in the following manner to increase administrative efficiency and to permit the Education Division to address emerging educational concerns:

- a single application form; a single deadline; and simplified, standard monitoring and auditing requirements;
- a requirement that some funds be expended on each of the existing programs in the Special Projects Act, with the precise amounts per program left to his discretion;

- creation of a small discretionary authority for use in responding to emerging issues of educational significance; and

- establishment of an authority to fund small projects requested by teachers and school administrators at the district level.

Womens Educational Equity Act. We recommend reauthorization of this important legislation that aims to reduce sex discrimination and sex stereotyping at all levels of education. We would place increased emphasis on funding for projects that provide educational equity in particular schools and communities.

Adult Education. We recommend the reauthorization of this important Act too. Unfortunately, this program reaches only a fraction of the eligible individuals (about 1.5 million out of more than 52 million adults who have not completed high school). We propose to expand the purpose of the Act to include an emphasis on functional illiteracy, and we would require States to establish plans to substantially broaden the adult education delivery system to include businesses, labor unions and community groups.

Conclusion

Mr. Chairman, we recognize that our legislative proposals must be seen not only in a budgetary context but also in relation to effective program administration. We simply must make HEW programs work better. Assistant Secretary Berry and Commissioner Boyer share my deep concern that we make social and educational programs a symbol of the manageability— not the unmanageability -- of government.

Thus many of our legislative changes are mirrored or augmented by administrative changes that simplify and make more effective the numerous education programs administered by the Education Division. In the 13 months we have been in office, the following administrative steps have been taken:

- We have simplified and made more systematic the process of issuing regulations -- all Office of Education regulations will be recodified during the next five years with an emphasis on clarity and simplicity.

- We have, to the limits of present authority, streamlined the OE administrative structure, by, for example, reducing from 28 to 7 the number of staff offices reporting to the Commissioner.

- We have substantially reduced paperwork and eliminated more than 6 million hours of the paperwork burden.

- We have simplified the application process by, for example, publishing a single notice in the Federal Register for the closing dates of all discretionary grant applications;

- We have tightened the grant, contract and audit processes.

These administrative changes are part of the President's commitment to competent government and are a base upon which the Administration's commitment to work with the Congress in creating a new Department of Education can be carried out.

In sum, Mr. Chairman, by a combination of legislative, budgetary and administrative actions, this Administration has demonstrated that it cares deeply about the state of American elementary and secondary education. Although there is much to be criticized with the state of American education, there is also much that is good. With these legislative proposals, we propose a strong Federal supporting role for the vital work done in school districts all across this nation by teachers and administrators who deal directly with America's most precious resource -- its children.

Thank you.

LEGISLATIVE PROPOSALS FOR THE REAUTHORIZATION OF ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

APPENDIX TO THE TESTIMONY OF
SECRETARY OF HEALTH, EDUCATION, AND WELFARE
JOSEPH A. CALIFANO, JR.

BEFORE THE
ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION SUBCOMMITTEE
OF THE
HOUSE EDUCATION AND LABOR COMMITTEE

FEBRUARY 28, 1978

February 28, 1978

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LEGISLATIVE PROPOSALS FOR THE REAUTHORIZATION OF ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

I. ELEMENTARY AND SECONDARY EDUCATION ACT: TITLE I

A. Overview of the Program

Program Purposes

The purpose of Title I is to provide funds on a formula basis for supplemental compensatory services to educationally deprived children in schools with high concentrations of children from low income families. The present law contains two important parts:

1. The core of the program is contained in subpart 1 of Part A. It provides funding for special compensatory education programs for educationally deprived children in schools with a high enrollment of children from poverty families. The Administration's FY 79 budget request for subpart 1 is $2.6 billion.

2. The second major part of the statute (subpart 2 of Part A) allocates funds to States to serve children who are handicapped, migrant, or ~~neglected~~ or delinquent. Our FY 79 budget request seeks $345 million for these programs. Reauthorization proposals for the State-operated programs will be submitted at a later date.

Program Coverage

Approximately 9 million students are eligible for Title I funds, and about 5.6 million of these are served. Of those served, more than 80 percent are in grades 1 through 6. Title I compensatory education programs are being conducted in 14,000 of the nation's 16,000 local school districts.

Funding

The basic appropriation for locally operated programs in high poverty schools is about sixty percent of the authorized level. Authorizations are calculated by multiplying the number of poverty children by 40 percent of local spending for the basic educational program. This formula is based on the assumption that a quality compensatory program requires a 40 percent increment in spending for each disadvantaged student. "Full funding" for the average Title I child nationwide would be $560; at present, the average per pupil expenditure for those children who receive services is about $420.

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A. Title I Overview (continued)

Funds for State-operated programs (for handicapped, migrant, neglected, and delinquent children) are given first claim on Title I appropriations, and have therefore always been full-funded.

Program Operation

Funds are allocated to school districts by a formula that has two principal components: (i) the number of children from poverty families, and (ii) the per pupil expenditure in the State, as compared to the national average. Districts, in turn, allocate funds to individual schools in rank order of the number of poverty children. Within each school, participants are selected to receive supplemental services on the basis of low achievement.

Basic Title I Program Requirements

Title I services must supplement, not supplant, the basic program. Accordingly, the law prohibits States and local districts from taking Title I funds into account in determining levels of support for individual schools, and requires that expenditures for the basic program of education in Title I schools be comparable to the support for non-Title I schools.

Program Effectiveness

Early evaluations (1965-1972) were critical of program administration and effectiveness. More recent studies indicate substantial improvement in administration and program monitoring. Recent evaluations also indicate that short-term (school-year) gains in achievement can be attributed to Title I programs. However, one recurring concern has been "the summer fall-off" (school-year achievement gains are lost over the summer). A recent study by NIE suggests that intensive instruction in basic skill areas (reading, language arts, and mathematics) accounts for between one-half and three-fourths of all Title I expenditures at the local level.

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B. Title I: The Targetting Provision (Section 101(g))

The Proposal

Establish a new Part C to provide supplmental funds for compensatory programs to districts with Title I eligible children in excess of either: (1) 5,000 children; or (2) 20 percent of the total district enrollment.

Present Law

This would be a new provision in Title I.

Reasons for Recommendation

Districts with high concentrations of poor children have special problems. First, more intensive (and costly) remedial programs are required for low-achieving poverty children when they are found in large concentrations. A number of studies indicate that concentrations of poverty have a negative effect on individual achievement.

One national study, for example, shows that the prevalence of low achievement among low-income children is nearly 25 percent higher in big cities compared with similar children in small cities. According to another study, students from poor families in high poverty urban and rural areas did less well than students from poor families in suburban communities.

Secondly, Title I dollars do not go as far in poor urban and rural districts as they do in other school districts. Current payment rates are based on average State expenditures and hence do not take the higher costs of major city districts and the lower tax base of rural districts adequately into account.

Major city teacher salaries are 23 percent higher than the national average, yet in 14 of the 18 States with major urban centers, the per capita tax base in center city areas is lower than the Statewide average. On the other hand, Title I aid per child is lowest in poor rural districts, where low levels of support for basic education seriously weaken the program's compensatory efforts.

B. Title I: The Targeting Provision (Section 101(g)) (continued)

Finally, these special circumstances are not addressed by the present Part A in that it does ont target extra funds on school districts with high concentrations of low income students.

Within each State, the same amount of money per poor child is distributed to each district so that districts with high concentrations of poor children receive the same amounts per pupil as less poor districts.

Impact

More than 3,500 districts with large numbers and/or high concentrations of poor children will receive these funds. These districts contain more than 6.2 million or 69 percent of the 9 million students who are eligible for Title I.

Over 160 city school systems will receive funds as will almost 3,000 rural districts—many with poverty rates in excess of 40 percent.

Significant increases in levels of service will occur in affected districts. The allocation of Title I funds to students within schools is left to local option. However, an allocation of $400 million, if used solely for students now in the program, would result in an average additional $140 per pupil and would lead to full funding for each child served.

Alternatively, funds could be used to increase the number of students participating keeping per pupil expenditures constant. If this is done, about 900,000 additional children would be served and an average of 77 percent of all eligible children would be reached in the districts affected compared to the 63 percent national average now reached.

Funds could also be used to support programs to avert the summer full-off in achievement. At an average cost of $250 per child, about 1.6 million children in the relevant districts (41 percent of students currently served in those districts) could participate.

A table showing the distribution of $400 million by state is attached.

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STATE TOTALS

COMPARISON OF FY 1979 TITLE I LEA* GRANTS + FY 79 TARGETING TO FY 1978 LEA GRANTS (IN THOUSANDS)

TITLE I LEA GRANTS ALLOCATION FY 78 = $2,372,760
TITLE I LEA GRANTS ALLOCATION FY 79 = $2,587,661
TARGETING PROVISION ALLOCATION FY 79 = $400,000
TOTAL: FY 79 LEA GRANTS + TARGETING = $2,987,661

	STATE	78 LEA	79 LEA	79 TARGETING	79 TOTAL	PCT CHANGE: 78-79 TOTAL
1	ALABAMA	62309	67893	11842	79735	28.0
2	ALASKA	4375	4767	521	5288	20.9
4	ARIZONA	21779	23731	2466	26197	20.3
5	ARKANSAS	35456	38634	5070	43704	23.3
6	CALIFORNIA	191533	208697	29363	238060	24.3
8	COLORADO	20402	22231	1982	24214	18.7
9	CONNECTICUT	22219	24210	1571	25781	16.0
10	DELAWARE	6017	6556	604	7161	19.0
11	DISTRICT OF COLUMBIA	13980	15233	5275	20509	46.7
12	FLORIDA	82713	90126	16287	106413	28.7
13	GEORGIA	67312	73344	10574	83918	24.7
15	HAWAII	7344	8002	2315	10317	40.5
16	IDAHO	5583	6084	110	6194	10.9
17	ILLINOIS	114232	124469	25568	150037	31.3
18	INDIANA	30908	33678	1752	35431	14.6
19	IOWA	20299	22119	229	22348	10.1
20	KANSAS	17825	19423	965	20388	14.4
21	KENTUCKY	47982	52282	8135	60418	25.9
22	LOUISIANA	71079	77449	14627	92076	29.5
23	MAINE	8992	9798	203	10002	11:2
24	MARYLAND	40784	44439	8650	53090	30.2
25	MASSACHUSETTS	46562	50735	5191	55926	20.1
26	MICHIGAN	93942	102361	14710	117071	24.6
27	MINNESOTA	35218	38374	2300	40675	15.5
28	MISSISSIPPI	59464	64793	123.3	77166	29.8
29	MISSOURI	42352	46147	6030	52178	23.2
30	MONTANA	7297	7951	389	8341	14.3
31	NEBRASKA	12469	13587	911	14499	16.3
32	NEVADA	2882	3140	179	3319	15.2
33	NEW HAMPSHIRE	3781	4120	16	4136	9.3
34	NEW JERSEY	64661	70456	9810	80266	24.1
35	NEW MEXICO	18625	20294	3198	23493	26.1
36	NEW YORK	247133	269281	70129	339411	37.3
37	NORTH CAROLINA	72120	78584	9119	87703	21.6
38	NORTH DAKOTA	6407	6981	193	7175	12.0
39	OHIO	69886	76149	8974	85124	21.8
40	OKLAHOMA	28186	30712	3337	34049	20.8
41	OREGON	20456	22289	1266	23556	15.2
42	PENNSYLVANIA	110221	120099	17298	137397	24.7
44	RHODE ISLAND	8685	9464	539	10003	15.2
45	SOUTH CAROLINA	47289	51527	8383	59911	26.7
46	SOUTH DAKOTA	7969	8684	640	9324	17.0
47	TENNESSEE	56287	61331	9538	70869	25.9
48	TEXAS	145952	159032	24548	183581	25.8
49	UTAH	7632	8316	229	8545	12.0
50	VERMONT	4073	4438	197	4635	13.8
51	VIRGINIA	55238	60188	6643	66831	21.0
53	WASHINGTON	26441	28810	1285	30096	13.8
54	WEST VIRGINIA	24722	26937	3217	30155	22.0
55	WISCONSIN	37417	40770	3492	44262	18.3
56	WYOMING	3060	3335	33	3368	10.1

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* LEA=LOCAL DISTRICT

C. Title I: State Matching Grants (Section 101(f))

The Proposal

A new Part B of Title I for matching grants to States with qualified compensatory education programs would be established. The match would be one Federal dollar for every two State dollars. Only those State funds allotted to children eligible to be served under the Title I formula would qualify for the match. States must agree to monitor districts to insure that matching money is used exclusively to provide supplemental, compensatory services to educationally deprived children in programs that are regularly evaluated. Funds would be allocated to districts and schools within participating States in accordance with the provisions of Title I, Part A.

The maximum amount which a State could receive for this match would be equal to 5 percent of the State's entitlement in that year under Title I, Part A. In each of the next three years, this limit would be raised one percentage point, to a maximum of 8 percent in FY 1983.

The amount appropriated to this section in FY 1980 would be at least equal to 20 percent of the increase in that year for Title I, Part A.

Present Law

There is currently an incentive provision (Part B of Title I) designed to reward States whose total tax effort for elementary and secondary education exceeds the national average. As structured, however, this provision has not generated significant incentives, and in FY 1978 no funding was requested or appropriated.

Reasons for Recommendation

Although the Federal government is committed to improving educational opportunities for children from economically disadvantaged backgrounds, the States also have a responsibility for the effective education of these children. Incentives for for State programs that provide supplemental aid to Title I children will help ensure that children receive adequate levels of services.

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C. Title I: State Matching Grants (Section 101(f)) (continued)

Impact

At present, 12 States have compensatory programs eligible for the State Match. Although these programs are quite diverse in character, purpose, and levels of aid, in each case it is possible to identify the portion of total State compensatory expenditures which would qualify for the match. Six other States would have to make only minor modifications in their programs to qualify.

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STATE COMPENSATORY PROGRAMS
ELIGIBLE FOR TITLE I MATCH - FY 1979*

STATE	TITLE I PART A FY 79 (CARTER REQUEST) ($ MILLIONS)	STATE COMPENSATORY FUNDS (FY 78) ($ MILLIONS)	PRELIMINARY ESTIMATES: PERCENTAGE OF FUNDS SPENT IN TITLE I SCHOOLS	PRELIMINARY ESTIMATES: FUNDS ELIGIBLE FOR MATCH ($ MILLIONS)
California	209.7	118.6	87	17.5**
Connecticut	26.1	7.0	60	2.1**
Florida	81.4	10.2	5	0.3
Georgia	73.1	12.7	63	4.0
Maryland	44.9	8.2	100	3.7**
Michigan	114.3	28.0	60-70	8.4
New Jersey	79.3	69.5	80	6.6**
New York	290.6	140.3	70	24.2**
Ohio	79.3	66.0	50	6.6**
Rhode Island	9.5	2.0	100	0.8**
Utah	7.7	0.9	35-40	092
Texas	144.7	25.4	95	12.0
			Total:	$87.5

Source: Preliminary estimates from Survey of State Compensatory Programs by Education Commission of the States.

* States with compensatory programs which are currently ineligible for the Federal match are Minnesota ($45.5 million), Nebraska ($.6 million), Pennsylvania ($100 million), Oregon ($1.5 million), Washington ($5.0 million), and Wisconsin ($1.3 million).

** Ceiling amount (5 percent of total Title I authorization) applies in these States.

D. Title I: Program Quality--Local Application (Section 101(h))

The Proposal

Local districts would be required to submit triennial, rather than annual, applications for funding, although annual reports on comparability would be required. Applications would be required to indicate that the district will meet the following new requirements: (1) Increase direct parent involvement in Title I by informing parents about their child's Title I program and progress, by giving parents the opportunity to aid in their children's education (for example through materials for teaching their children at home), and by eliciting parent advisory councils' advice on individual parent involvement; (2) Involve teachers in planning and evaluating the Title I program; (3) Evaluate the program over a twelve-month period at least once every three years to determine whether achievement gains persist beyond a single school year; (4) Use the results of evaluation to improve the local program; (5) Consider providing more sustained services such as summer programs and programs in junior and senior high schools.

Present Law

Applications are currently required every year. Requirements concerning parents would be new, although the statute now encourages the use of individual educational plans drawn up in cooperation with parents. Evaluations are now required every year but do not have to span a twelve-month period or be used locally. The requirements for involving teachers and considering more sustained services would be new.

Reasons for Recommendation

A shift to triennial applications will produce a major reduction in paperwork associated with the Title I program. The increased State administrative responsibilities and annual reports on comparability will ensure that program requirements continue to be met.

While Title I is functioning well administratively, and while there is increasing evidence that participating children make achievement gains over the school year, there is room for improvement in program quality. A serious concern is the apparent absence of long-term benefit from Title I services. The proposed requirements would direct educators' attention to sustaining children's achievement gains and would encourage more extensive parent and teacher involvement, which research has shown to be associated with program effectiveness.

D. Title I: Program Quality--Local Application (Section 101(h)) (continued)

The requirements do not spell out procedures for local implementation because there is no one best way to involve parents and teachers or to sustain children's achievement. Program quality must be essentially a local concern, and program changes are most likely to work to the benefit of children when the changes are designed locally.

Parents help govern Title I programs through advisory councils, but many individual parents know little about, and take little part in, the instruction of their own children. However, research strongly suggests that tutoring by parents can contribute to children's learning. For example, achievement gains are strongly associated with increased time spent on learning tasks; therefore, if parents were to spend time tutoring their children during the summer, they could quite probably counteract the loss in achievement that now occurs over the summer. At least thirty evaluation studies have indicated that increased achievement and other benefits are associated with parents' work with their children on learning tasks.

Title I now contains no specific requirement for teacher involvement in local planning or evaluation, although considerable research shows the desirability of more systematic teacher involvement in program planning. Continuous planning, regular staff meetings, interchange of ideas among teachers, and, most of all, teachers' participation in decision making, stand out as characteristics of unusually well implemented and successful programs.

Evaluation spanning a twelve-month period would produce data on the summer losses in achievement that seem to plague Title I. The achievement scores would give educators a clearer idea of the scope of this problem in their schools, and thus could help guide program decisions.

It is important for evaluation results to be used--not just at the State or national level, but in individual districts and schools. When evaluation data are collected and analyzed at the State and Federal level, as the law requires, they provide only weak clues to the association between particular program operations and particular outcomes. Educators at the local level should apply evaluation findings to program planning; the technical assistance network for Title I evaluation could help them do this in appropriate and effective ways.

Finally, consideration of sustained services is recommended because of the apparent absence of long-term gains for Title I participants. There is substantial loss of achievement over the summer, but few summer programs exist. Although there is a perceptible drop in achievement growth after the fourth grade, few programs in junior and senior high schools exist.

D. Title I: Program Quality--Local Application (Section 101(h)) (continued)

Impact

The proposed requirements would apply to all of the more than 14,000 school districts receiving funds. The shift to triennial applications should produce a major reduction in paperwork for these districts. The other revisions should help direct attention at the local level to ways of improving the quality of Title I programs.

E. Title I: School-Wide Programs (Section 101(i))

The Proposal

States would be given authority to waive certain statutory requirements for schools in which at least 80 percent of students come from low-income families, in order to permit Title I funds to upgrade the entire school program. Schools would qualify for such waivers if their compensatory education funds from Federal and State programs equalled at least 32 percent of the average per-pupil expenditure in the district, and if they developed plans for school-wide programs. When such schools met these conditions, the States could waive the prohibition against commingling Title I funds with State compensatory and core program funds, the requirement of identifying eligible Title I participants, and the requirement that services be supplementary. Districts would be required to submit a plan for assessing and addressing the educational needs of all students (especially educationally disadvantaged students); planning would have to involve all concerned groups such as parents, teachers, and administrators; and there would be requirements for training and evaluation.

Present Law

This would be a new provision.

Reason for Recommendation

Once the percentage of poverty children reaches 80 percent, it makes little sense and is cumbersome to enforce requirements that Title I funds serve only Title I children, or that Title I services be supplemental in character. To develop and implement separate programs for the Title I children causes considerable administrative demands on teachers, for example in scheduling and record keeping, that may detract from educational services. Further, when a school contains such a large proportion of eligible children, sound educational practice suggests planning of the curriculum focusing on the entire program.

If compensatory education funds equal at least 32 percent of the base program funds, the amount of extra resources available under a whole-school program would equal the maximum amount to which a school would be entitled under Title I if 80 percent of its students came from low-income families.

E. Title I: School-Wide Programs (Section 101(i) (continued)

Districts should be able to opt for the benefits of collaborative planning and improvement of the entire school program. Growing research evidence points to the advantages of school-wide programs. A massive recent study of compensatory reading programs could not find specific instructional strategies that were consistently effective, but did find that successful programs consistently had strong planning and management and a unitary and coherent program at the building level. Such programs benefited from a commitment to reading and other basic skills, leadership from the principal, and exchange of ideas among staff members.

Impact

Approximately 2 percent of Title I schools meet the 80 percent poverty criterion. Thus, an upper limit on participation would be about 1,300 schools.

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F. Title I: Greater Flexibility for Local School Districts (Section 101(h))

The Proposal

Districts with especially high proportions of poverty children would be given greater flexibility in deciding which schools will receive compensatory services in cases where the district's funds for compensatory education from Title I and from State compensatory programs eligible for the Title I State matching provision together amount to at least 80 percent of the full Title I authorization. Districts with compensatory funding in the range of 80 to 99 percent of full authorization would be given wider latitude in designating Title I schools: new programs could be established in schools with at least 20 percent eligible children (versus the present cutoff of 30 percent) provided that all existing Title I schools are held harmless at the previous year's funding level.

Moreover in districts where the combined total of State and Federal compensatory funds targeted to Title I eligible schools exceeds 100% of the total Title I authorization, the district may expend additional State compensatory funds to meet the special educational needs of educationally deprived children in any school in the district.

Present Law

Currently, districts are compelled to deny Title I compensatory services to schools with less than 30 percent poverty children, except where the school's poverty rate is equal to or above the district-wide average.

Moreover, States are prohibited from taking Title I funds into account in distributing aid to schools for compensatory education.

Reasons for Recommendation

In the past, when Title I appropriations were generally less than half of authorized amounts, the success of the program was heavily dependent on measures designed to insure a concentration of resources and effort. In the future, with the emergence of State-operated compensatory education programs along with new proposals to strengthen these programs (through the State-Matching proposal (Part B)) and to channel additional Title I funds into districts with high concentrations of poverty children (the Targeting Provision, Part C)) added flexibility is needed.

F. Title I: Greater Flexibility for Local School Districts (Section 101(h)) (continued)

The present proposal will provide added flexibility exclusively in districts where poverty rates are in excess of 20 percent, and under conditions which insure no reduction of service levels in existing Title I schools. The net result can only be an increase in the total number of children served and better allocation of Federal and State funds for compensatory education. Lowering the cutoff from 30 to 20 percent poverty for Title I schools in high-poverty districts will also make the program more equitable. At present, children in a school with 25 percent poverty cannot be served when the school is located in a district with a higher overall poverty rate.

Permitting a district whose funding exceeds 100 percent of its entitlement to use the excess funds from State sources in non-Title I schools eliminates the need to spend extra resources in schools that are fully served when there are unmet needs in other schools.

Impact

About 3,500 districts containing about 6 million Title I eligibles, have poverty rates in excess of 20 percent. For many of these districts, lowering the cutoff on Title I schools from 30 to 20 percent poverty will mean increased flexibility and significant extensions of compensatory services. In the future, as a number of States respond to the incentive offered by the new State Match (currently proposed), and as Title I appropriations in both Part A and Part C grow, increasing numbers of districts should qualify for both flexibility provisions.

G. Title I: Administration, Monitoring and Set-Aside (Section 101(k))

The Proposal

Eliminate any requirement for an annual program plan from the States; instead, each State would be required under GEPA to submit a one-time set of assurances that would be updated only if the law were altered. Each State would submit at least every three years a monitoring and enforcement plan that would indicate what efforts it will take to ensure that local educational agencies are in compliance with the requirements of Title I. The State would also report on its efforts since the preceding plan was filed to enforce those requirements. These efforts would by law include monitoring the compliance of school districts in providing services for private school children, monitoring visits to each district at least once every three years, the timely resolution of all complaints regarding Title I administration, and steps to remedy situations where districts are out of compliance.

Increase the set-aside for Title I State administration from 1 percent to 1.5 percent of the Title I appropriation, with a $225,000 minimum ($37,500 for outlying areas).

Strengthen the Commissioner's authority to enforce Title I laws and regulations by allowing him to withhold all or part of the funds allocated to States or districts that are out of compliance, and by providing that he shall withhold all or part of the State administrative set-aside from States that fail to discharge their monitoring and enforcement responsibilities.

Present Law

The current legislation requires an annual plan from each State for every State program. It also requires districts to submit annual applications for Title I funds.

The present set-aside is 1 percent with a $150,000 minimum ($25,000 for outlying areas) for State administration of Title I.

Reasons for Recommendation

Implementation of this proposal would greatly reduce the amount of paperwork required of the States and local grantees. State and Federal responsibilities to administer the Title I program would be clarified.

G. Title I: Administration, Monitoring and Set-Aside (Section 101(k)) (continued)

The NIE study mandated by Congress and several HEW Audit Agency reports indicate that the quality of program administration varies greatly among States, and that one of the problems was vagueness in the statute and regulations concerning program administration and enforcement requirements. The administrative, monitoring and compliance changes will better ensure equal treatment for all children participating in Title I programs.

The current set-aside would not adequately fund States to administer current Title I program requirements, achieve an expanded Federal/State partnership, and implement new requirements. States receiving the minimum dollar amount have not received an increase since 1967. Thus, many States have not been able to hire additional staff to meet the requirements added in the 1974 Amendments or to meet rising costs for such items as salaries, travel and materials.

Impact

The frequency of paperwork requirements for States and districts will be greatly reduced; however, some applications will be somewhat longer due to increased plan requirements.

The requirement for monitoring-and-enforcement plans and reports, along with less frequent applications, should result in better planned projects and better enforcement of the statute. The requirement for the plan to include complaint procedures should result in a more efficient and effective investigation of complaints.

Most States will receive substantial increases in funds to meet the new requirements and will be able to hire new staff needed to perform the mandated administrative tasks.

H. Title I: Puerto Rico and Other Outlying Areas (Section 101(d))

The Proposal

Key Puerto Rico's allocation under Part A of Title I to the minimum allocation for any of the fifty States, adjusted for the island's lower per-pupil expenditure. The allocation would be calculated by multiplying the number of formula-eligible children by the product of (a) 32 percent of the average per-pupil expenditure in the United States and (b) the percentage that Puerto Rico's per-pupil expenditure is of the lowest per-pupil expenditure of any State. A further provision would prevent an unmanageable influx of funds by limiting any year's increase in Title I funds to 50 percent of the previous year's Title I allocation for Puerto Rico.

Allow the Commissioner to waive Title I statutory requirements due to special circumstances that prevent compliance in Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Marianas, or the Trust Territory of the Pacific Islands. A waiver would be granted only under conditions to be determined by the Commissioner, one of which would be the submission of a plan for managing Title I funds in order to carry out the purposes of Title I.

Present Law

For each of the fifty States Title I allocations are based in part on the State's average per-pupil expenditure, but this base is never less than 80 percent of the national average. However, although Puerto Rico has a per-pupil expenditure about 40 percent of the national average, it is excluded from this 80 percent floor.

The provision for waiving requirements would be new.

Reasons for Recommendation

Puerto Rico's limited funding--half of what it would receive if it were a State--is inappropriate in view of the very poor educational and economic conditions facing the island. For example, 92 percent of students come from low-income families. Dropout rates are high; achievement is low; and many schools meet only half days.

H. Title I: Puerto Rico and Other Outlying Areas (Section 101(d)) (continued)

A huge increase in Title I funds would be difficult for Puerto Rico to absorb in a single year. Therefore it is proposed that the increase in any year be limited to 50 percent of the previous year's allocation.

The Title I requirements, which are designed to ensure that funds are used only to benefit the children actually in need, may be inappropriate for outlying areas with impoverished educational systems. For example, extreme poverty often limits the basic education program, making the concept of supplementary services for selected children unrealistic. In such cases, general upgrading of the educational system may well be the best way of improving services for Title I children.

Rather than insisting on compliance with all statutory requirements in outlying jurisdictions, the Commissioner should be able to devise special conditions for the administration of Title I funds. The conditions would include clear assurances that the educational system would be managed in such a way as to improve the education of Title I eligible children.

A jurisdiction receiving a waiver of requirements would have to submit a plan allocating funds for management, accounting, and technical assistance. Federal oversight would be provided to improve the school system's management.

Impact

Although this provision would not take effect until FY 1980, its impact can be illustrated with hypothetical figures for FY 1979. Puerto Rico's Part A allocation would become $124 million if this provision took effect in FY 1979, as compared with an allocation of $86 million in FY 1978.

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II. Elementary and Secondary Education Act, Title II: Basic Skills and Educational Quality Act

The Proposal

We would establish a new discretionary authority, to coordinate and consolidate demonstration projects in order to stimulate improvements in basic skills achievement in our nation's schools.

This authority would expand the National Reading Improvement Act (Right to Read) to address student achievement in reading, mathematics, and written and oral communication. Authorized activities would include planning, research and development projects, demonstration projects (including training of leadership personnel), evaluation and dissemination efforts, and technical assistance to States, localities, and Federal categorical programs (e.g., Title I). Examples of activities that might be funded under this authority include (i) grants to stimulate parental involvement in children's learning, (ii) assistance for States in developing comprehensive plans for improving basic skills achievement, (iii) assistance to States and localities in using tests to diagnose and assess students' needs and progress in basic skills, and (iv) increased use of television and other technologies as an aid to the instructional process.

Present Law

Present law does not contain broad-based authority for basic skills achievement. The Right to Read Program is more limited in subject matter (to reading), and also is more restrictive in the range of activities that can be pursued to improve achievement.

Reasons for Recommendation

The Basic Skills and Educational Quality Act will provide an expanded and more carefully designed authority to permit a coherent strategy for pursuing the goal of improving basic skills achievement and upgrading educational quality.

II. Basic Skills and Educational Quality Act (continued)

Given the public concern about basic skills achievement, it is essential that the Federal Government have a broadly-based authority to help States and localities develop improved ways of raising achievement not only in reading, but also in mathematics, and written and oral communication. The Basic Skills and Educational Quality Act will give added visibility to efforts to coordinate State and local efforts to raise achievement in basic skills areas. While authorizing the kinds of activities permitted in the Right to Read program, this Act goes considerably beyond that in authorizing a broader range of efforts — such as testing programs, use of television and other technologies, and greater involvement of parents in their children's learning — to help States and localities develop the most effective methods of improving achievement.

The problem of improving basic skills achievement is a critical one facing American education. It is important that the Federal Government help States and localities address these problems in a rational, forceful and comprehensive fashion.

III. Elementary and Secondary Education Act, Title III: The Special Projects Act

The Proposal

Beginning in fiscal year 1979, we would remove statutory rules that restrict the flexibility of Congress and the Secretary to allocate funds according to the most pressing needs. Under this proposal, each of the authorized activities included in the Special Projects Act would have to be funded at some level, but the statute itself would not establish either a maximum or a minimum. There would also be authority provided to permit some funding of special projects that fall outside each of the specifically enumerated activities.

Beginning in fiscal year 1980, the list of authorized activities would be revised. Arts Education, Consumers' Education, Gifted and Talented Children, and Metric Education would be retained as authorized activities. The Alcohol and Drug Abuse Education Act and the Environmental Education Act would be folded into the Special Projects Act and included as authorized activities. The Women's Educational Equity Act would become an independent program.

Two existing activities in the Special Projects Act would be expanded. The Career Education program would be expanded into a Career Education and Youth Employment program, to include a broader authority to aid students in making the transition from school to work. Besides career education, it would include work-study and part-time programs, and would support the development of better linkages with job-related programs. The Community Schools program focus more sharply on secondary schools, and on creating new relationships between educational and other community services.

Beginning in fiscal year 1980, a new Small Grants section would be added to the Special Projects Act, under which grants of up to $25,000 could be provided to fund proposals from teachers, administrators, and other individuals.

III. Elementary and Secondary Education Act, Title III: The Special Projects Act (continued)

Present Law

The existing Special Projects Act authorizes the Commissioner to carry out a series of special projects specifically including: Arts Education, Career Education, Community Schools, Consumers' Education, Gifted and Talented Children, Metric Education, and Women's Educational Equity. The proportion of total funding for the Special Projects Act to be devoted to each of these activities is regulated by statutory provisions.

Reasons for Recommendation

The broadened and more flexible authority in the Special Projects Act should strengthen the ability to direct funds to areas of pressing need while ensuring the preservation of existing programs.

The addition of the Alcohol and Drug Abuse Education program and the Environmental Education program to the Special Projects Act will reduce the number of small, independent program authorities. This would produce a more efficient administrative structure and would permit use of common application forms and simplified auditing and monitoring procedures.

The creation of a Small Grants authority will ensure the availability of funding for small, innovative ideas that an individual wishes to test and develop.

No existing Federal authority provides a comprehensive approach to school-work linkages. Moreover, there is no current authority to link school programs to YEDPA and other job-related programs. Dropout rates and youth unemployment rates are at alarming levels, and we must provide assistance to teachers and administrators to link school and non-school resources to address these problems.

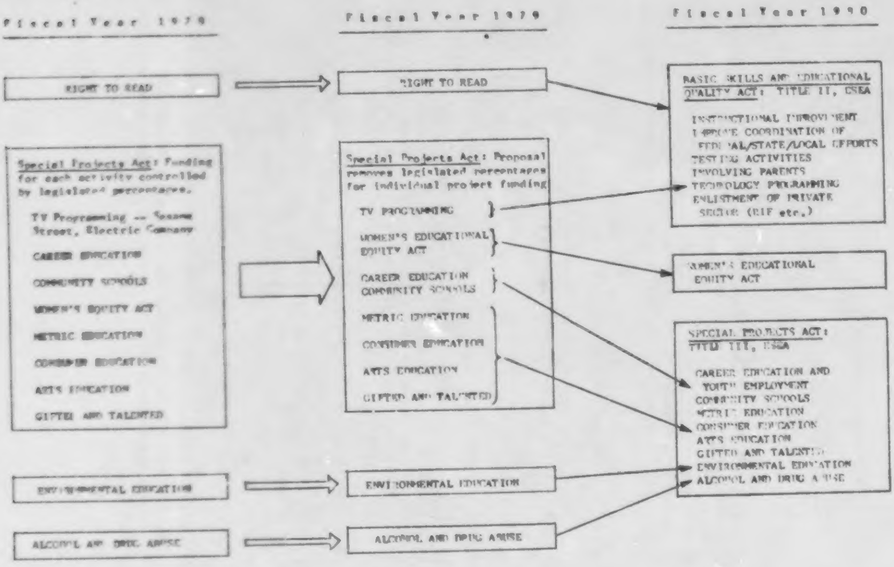
III. Elementary and Secondary Education Act, Title III: The Special Projects Act (continued)

The expanded Community Schools program would emphasize greater community linkages with high schools, which often have the greatest capacity to benefit from community resources. It would also provide a sharper focus on the provision of social services through the schools in order to reach a large proportion of this country's youth.

Impact

The broadened authority in the Special Projects Act will permit greater flexibility in responding to national priorities. It should also streamline administrative requirements for local officials, thereby benefiting both internal operations in HEW and grantees throughout the country.

THE EVOLUTION OF THE BASIC SKILLS AND EDUCATIONAL QUALITY ACT AND OTHER OE DEMONSTRATION AUTHORITIES: 1978-1980*



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* Activities in CAPS are legislatively itemized. There are four separate appropriations in each of the years.

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IV. Elementary and Secondary Education Act, Title IV (Section 105)

A. Overview of the Program

Program Purpose

Title IV provides funds for State departments of education for three primary purposes:

- Part IV-B appropriations are dispersed by the State to local agencies for the purchase of books, materials and equipment, and for training and other activities for guidance counselors.
- Part IV-C provides support funds for strengthening the administration and management of the State education agency.
- Part IV-C also provides funds for discretionary competitive grants from the State to local agencies for innovative educational projects.

Program Coverage

Title IV-B funds are distributed to the States on the basis of the proportionate number of children in each State who are ages five through seventeen, compared to the total of such children in all States. For the school year 1979-1980 Title IV-B will provide funds for 46.9 million students.

Title IV-C funds are distributed through formula grants to States under State plans. All school districts within a State are eligible to compete for a portion of these funds. For the school year 1979-1980 it is estimated that funds will support about 3,600 local education agency projects and that 10 million children will participate in these projects.

Funding

.In FY 1979, $167,600 000 is requested for IV-B and $197,400,000 for IV-C. State grants under IV-C are expected to range from $215,000 to $17,000,000.

IV. Elementary and Secondary Education Act, Title IV (Section 105) (continued)

Program Operation

States apply annually for appropriations under each part of Title IV. Funds for Part IV-B are distributed to local agencies in the State on an entitlement basis after the State receives an annual proposal. Within the constraints of the law the local agencies have discretion as to the allocation of the funds. Under Part IV-C the State may reserve up to 15 percent (or the amount funded for this purpose in 1974, whichever is greater) for use in strengthening the State department of education. The remainder of the funds are used for grant competitions among local agencies in the State. The largest group of projects in districts deal with improving the basic skills.

Program Requirements

Part IV-B requires equitable participation of children and teachers in private nonprofit elementary and secondary schools. A maximum of 5 percent of the appropriation under this Part may be used by the State for program administration. A minimum of 15 percent of Part IV-C funds received by a State must be spent on programs for handicapped children. A maximum of 5 percent of the award may be used to administer the program and to support the activities of the State Advisory Council.

Program Effectiveness

Title IV-B funds have been an important source of new and continuing material in classrooms throughout the country. Title IV-C funds have been used as the catalyst for program improvement and change on the local level. And, Title IV-C money has been an important part of State agencies' budgets for undertaking educational and administrative improvement.

In 1974 the administrative features of Parts IV-B and IV-C were consolidated. A recent report by the Rand Corporation indicates that the consolidation did not improve the administration. Rather, due to the mix of purposes under each Part, the intended simplification instead led to unnecessary complication of both purposes and procedures.

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B. Title IV: Restructuring

The Proposal

Change the configuration of the Title IV "consolidated programs" to create three functionally separate authorities. The new structure would have three parts: Part B--Instructional Materials and School Library Resources; Part C--Improvement in Local Educational Practices; Part D--Strengthening State Educational Agency Management.

Present Law

Title IV now has two parts, B and C. Part B supports purchases of books, materials, equipment, minor remodeling, and activities in guidance counseling, and testing. Part C supports grants to local educational agencies for exemplary and demonstration projects, and also activities at the State level to strengthen the leadership of State educational agencies.

Reasons for Recommendation

The current structure of Title IV, although representing an improvement over a formerly fragmented set of authorities, creates dysfunctional competitions for funding at State and local levels. Under Title IV-B, guidance counselors' salaries and training compete at the local level with library books and instructional equipment. Title IV-C compels State agencies to divide funds between their own administrative strengthening and local districts' improvement efforts.

A study of Title IV by the Rand Corporation has just recommended that the current consolidated arrangement should be abandoned. Rand finds that administrative problems have not been eased by the joint operation of Titles IV-B and IV-C. Instead the problems have increased due to the difficulty of coordinating a diverse set of programs.

Impact

State and local agencies will no longer have to file the consolidated applications about which they now complain.

The new arrangement would permit Federal funding to be directed to the intended activities.

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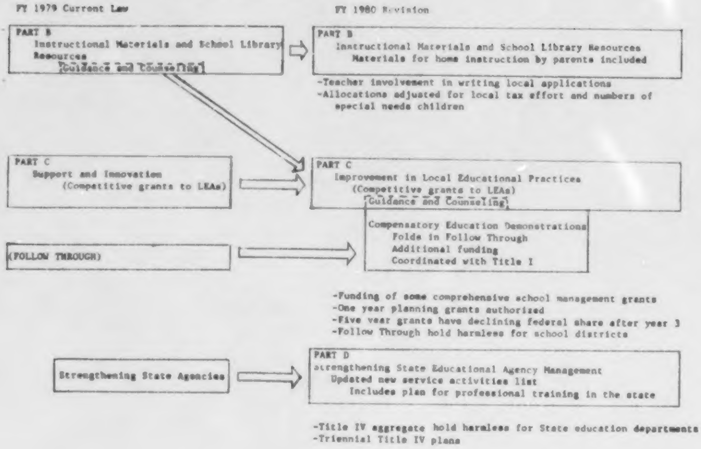
Revision of Title IV Programs


FY 1979 Current Law
FY 1980 Revision
PART B
Instructional Materials and School Library Resources
[Guidance and Counseling]
PART B
Instructional Materials and School Library Resources
Materials for home instruction by parents included
PART C
Support and Innovation
(Competitive grants to LEAs)
PART C
Improvement in Local Educational Practices
(Competitive grants to LEAs)
[Guidance and Counseling]
(FOLLOW THROUGH)
Compensatory Education Demonstrations
Folds in Follow Through
Additional funding
Coordinated with Title I
Strengthening State Agencies
PART D
strengthening State Educational Agency Management
Updated new service activities list
Includes plan for professional training in the state

-Teacher involvement in writing local applications
-Allocations adjusted for local tax effort and numbers of special needs children

-Funding of some comprehensive school management grants
-One year planning grants authorized
-Five year grants have declining federal share after year 3
-Follow Through hold harmless for school districts

-Title IV aggregate hold harmless for State education departments
-Triennial Title IV plans

C. Title IV: Improvement in Local Educational Practices

The Proposal

The authority for improvement of school practice would include the following components, all administered by the States on a competitive basis:

- a general grant-making authority for local improvement with some increased emphasis on parent involvement, basic skills, community and work-related programs, and testing;
- grants for professional development at the district or building level, including activities for guidance counselors;
- a new provision for comprehensive school-wide planning under a 5 percent set-aside in the first year and 10 percent in succeeding years;
- a new 10 percent set-aside plus incorporation of Follow Through funding for grants to improve practice in compensatory education.

For all types of grants, districts could receive one-year planning grants and up to five years of program funding. After the third year of program funding, a district would have to assume a portion of program costs. Under the set aside for improvement of compensatory education demonstration projects and Follow Through sites could be funded, the latter with a 75 percent hold-harmless for the first year.

Present Law

Title IV-C now funds local improvement efforts. It also funds leadership activities at the State level, which would be transferred to the proposed Part D of Title IV.

Guidance and counseling activities are now included in Title IV-B. The proposal would move them into this part.

Follow Through is now a separately authorized and funded program, although the experimental purpose of Follow Through has now been fully accomplished.

Local districts now compete for each year of program funding under Title IV-C, up to a usual maximum of three years. New provisions would eliminate annual competitions for continuation funds and permit one-year planning grants and five-year operational grants. Some local funding would be required after the third year.

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C. Title IV: Improvement in Local Educational Practices (continued)

Reasons for Recommendation

Building on more than ten years of research and experience in local educational improvement, the new proposal would strengthen Federal and State activities on behalf of local practice improvement.

For example, the new provisions for comprehensive school-site programs would encourage upgrading of an entire school program through collaborative planning and implementation. Research supports this proposal, showing that piecemeal approaches such as isolated projects in schools too often have only limited impact on the basic, continuing activities of schools. In fact, a variety of recent studies suggest that the major determinants of educational quality at the school level are related to coherence of purpose, strong leadership, and continuing collaboration by all concerned (teachers, parents, administrators, and others).

Grants for professional development would support guidance counselors' activities under an authority separate from Title IV-B, under which they now compete with books and materials for local funding allocations, and would extend benefits to other groups of professionals such as teachers and administrators.

A demonstration effort in compensatory education is needed because there is no systematic Federal or State initiative designed to explore ways of improving practice in compensatory education--despite the substantial investment and persistent need in this area. Under the proposed demonstration effort, practitioners could learn how the generic features of effective programs--features such as direct parent involvement--can be adopted in ways congruent with local needs and choices. School districts would be supported in designing and implementing locally appropriate methods of involving parents, instituting more staff collaboration, offering compensatory services in the regular classroom rather than a separate "pullout" setting, and so on. And, Federal assistance and reinforcement could now be provided through the Basic Skills and Educational Quality Act.

Follow Through has now run its course as an experiment; the results have been analyzed and fully disseminated. Individual sites should continue to receive extra funding only at the option of the State educational agencies. The proposal would incorporate these sites into a more general authority for demonstrations in compensatory education.

The availability of planning funds and longer-term operating funds, and the requirement for local matching funds, would increase local commitment to the innovative activities that Title IV-C sponsors.

C. Title IV: Improvement in Local Educational Practices (Continued)

Impact

The proposal would support operating examples of school-wide planning and coordination of categorical programs.

Compensatory demonstrations would generate new knowledge about practice improvement, and administrative provisions would ensure coordination with the Title I program so that this knowledge would be applied in that program's operation.

Longer-term grants and local contributions would increase local commitment to Title IV-C activities and would make them a more integral part of the regular school system.

D. Title IV: Strengthening State Educational Agency Management

The Proposal

Activities for strengthening State educational agencies, now supported under Title IV-C, would be placed in a functionally separate authority, a new Part D of Title IV. Suggested State activities would be updated, and two requirements would be added. States would be required to develop a comprehensive plan for professional training activities in the State, in cooperation with teachers, school administrators, and representatives from higher education. States would also be required to provide information and technical assistance to nonpublic school officials concerning Federal services for nonpublic-school students.

Present Law

The present Title IV-C now supports State leadership activities. The proposal would provide separate funding for this purpose.

Requirements for coordinating professional training activities and providing information related to nonpublic-school students would be new.

Reasons for Recommendation

Disparate Federal and State programs of teacher and administrator training, which are now fragmented among different categorical authorities, badly need coordination—as several States have recognized. Each program trains teachers according to the needs of its own specialty, and professional development takes a wide variety of forms. The State educational agency is the logical agency to pull these programs together into a coherent effort.

States could address the important issues in in-service and pre-service professional development as they work with teachers and institutions of higher education to improve program coordination. For example, as school enrollments decline and local budgets become tighter, school districts are less able to cover release time for teachers' courses in colleges and universities. Therefore, there is a need for training and support services that will enhance teacher effectiveness and for programs that are accessible and easily built into the school program.

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D. Title IV: Strengthening State Educational Agency Management (continued)

The new requirement related to nonpublic schools is needed to ensure equitable service to the children enrolled in those schools. Again, the State educational agency is the logical place to assign responsibility for this requirement.

Sample activities for State agencies, while not a binding list, should be updated to reflect current needs for improved technical assistance to local districts, particularly in relation to the local improvement efforts that Title IV-C will fund.

Impact

All States would undertake planning for the coordination of professional training. Activities could include: comprehensive analyses of State credentialing and certification requirements; consideration of changing the balance between preservice and inservice training; and provision of assistance and information to teachers and local administrators concerning such matters as planning for teacher centers, efficient use of Federal and State categorical funds, and comprehensive school-site training programs.

Increased information and technical assistance would become available to school systems and nonpublic schools concerning the requirements for equitable participation in Federal programs by nonpublic-school students.

V. Elementary and Secondary Education Act, Title VII (Bilingual Education)

A. Overview of the Program

Title VII was first established in 1968 and subsequently amended in 1974 with the following objectives:

- Encourage the establishment and operation of programs using bilingual education practices, techniques, and methods.
- Develop and disseminate effective models of bilingual education.
- Establish training programs for teachers to teach in a bilingual setting.
- Conduct studies to determine the effectiveness of bilingual education, establish a national clearinghouse and survey the number of children and adults with limited-English-speaking proficiency.

Title VII is a discretionary program with a FY 1978 appropriation of $135 million and a FY 1979 budget request of $150 million.

Evaluation findings of this program have been mixed. As yet we have little information relating to the relative effectiveness of one technique over another. Studies have consistently indentified the severe shortage of trained bilingual teachers and inadequate curricular material as major problems.

Beneficiary Data

In Fiscal 1978, the $135 million appropriation will support 565 demonstrtation projects in 67 different languages, and serve approximately 255,000 children.

A. Title VII: Overview of the Program (continued)

Target Population

Estimates of the total population of school age children with limited English language skills range from 800,000 to 3.6 million. A joint NCES/NIE study currently underway (the Children's English and Services Study) should provide better national estimates than those currently available. Results of this study are expected in the summer of 1978. The Department is also working with the Bureau of the Census to ensure that the 1980 Decennial Census will provide useful counts of target children on a district level. Taken together these efforts should provide more accurate data by school district on the number and ages of target group children. Results from the combination of these efforts should be available by the early 1980's.

Program Operation

Local agencies apply for project funds through a national competition. Applications are currently approved annually with no time limit for the length of a project. Other funds for teacher training, dissemination, and research are competed for nationally by private and public institutions.

B. Title VII: Program Definition and Targeting (Section 107)

The Proposal

Amend Title VII of the Act to define the group of children eligible for service as those "with limited English language skills" who "have difficulty speaking, reading, writing, or understanding instruction in the English language". Change provision for including English dominant children in the program to allow for their participation for the purpose of prevention of segregation and in order to broaden the understanding of these children about languages and cultural heritages other than their own, so long as the program objective remains "to assist children with limited English language skills to improve those skills".

Present Law

Present law defines target group children as individuals of "limited English speaking ability" who "have difficulty speaking and understanding instruction in the English language". Provision is made for the "voluntary enrollment to a limited degree" of children whose language is English.

Reasons for Recommendation

These changes make clear that the purpose of the Title is to assist children of limited English language skills, a phrase that implies no judgment on children's abilities, and that language skills include reading, writing, speaking, and understanding.

The changes also make clear that participation of English dominant children in the program is for the purpose of avoiding segregation, broadening the understanding of such children about languages and cultural heritages other than their own, and contributing to the objective of assisting children of limited English language skills to improve those skills.

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C. Title VII: Parental Involvement (Section 107)

The Proposal

Require comments of parents and teachers of children with limited English language skills to be attached to an initial district application for funds. Permit participation of parents of English language children enrolled in the project on parent advisory committees so long as such parents are not in a majority. Require applications to contain assurances that parents of students in the program are informed about the goals of the program and the progress of their children.

Present Law

The current statute requires applicants only to consult with parents and teachers of children with limited English language skills. Parents of English dominant children are excluded from participation on parent advisory committees.

Reason for Recommendation

To emphasize the importance of parental involvement in the pre-application process and in the implementation of the program and to provide for the participation of all affected parents on the advisory committee.

D. Title VII: Time Limit on Federal Funding (Section 107)

The Proposal

Limit Federal funding for a program of bilingual education at a school or group of schools to five years and reduce the amount of funds available in the third, fourth and fifth years of the project to ensure the gradual assumption by the applicant of the costs of projects and activities assisted under this Title. Require applicants to demonstrate in their proposal that funding will help develop their capacity to provide bilingual education as a regular part of their program and that they will have the resources to continue the program when Federal assistance is reduced or terminated. Under exceptional circumstances the Commissioner may waive the five year time limit. Require that applicants describe how ongoing special needs of children who have made the transition from a bilingual to a regular classroom will be assessed and met.

Present Law

These would be new provisions in Title VII.

Reasons for Recommendation

Requiring that applicants plan for the transition from Federal to State and local funding, and reflect this planning in their application, will assure the presence of an ongoing commitment to bilingual education before Federal capacity building monies are awarded. Federal funds are currently insufficient to meet all needs for bilingual instruction, and limiting funding to five years frees up funds to begin programs in new schools.

Applicants will know the time limit of Federal involvement with their project and be able to plan accordingly to provide a quality project for their students with limited-English language skills.

If significant demographic shifts result in increases of needy students the Commissioner should be able to extend a district's funding longer than five years to meet students' needs.

As language limited students are transferred out of the program into a regular classroom, their ongoing needs should be assessed and addressed to insure that they sustain the achievement made in the program.

Impact

Funds will be available to begin new bilingual education programs in schools and/or districts which have not previously operated such programs as current grantees phase-in local support for the program. Once initiated, bilingual programs will have some assurance of continuation on a regular basis.

E. Title VII: Research (Section 107)

The Proposal

Substantially increase the emphasis and authorization for research, evaluation, and data collection activities in order to advance the state-of-the-art in bilingual education. Emphasize research activities designed to assess the contribution of bi-cultural programs to a child's development of English language proficiency. For FY 1980 increase the authorization for research from $5 million to $20 million.

Present Law

There is presently a $5 million ceiling on the research authority in Part C of the Title. Research regarding bi-cultural programs is permitted but not specifically highlighted.

Reason for Recommendation

One of the major problems encountered in the reauthorization review of this Title was the current absence of hard data on the effectiveness of different approaches to bilingual education. Furthering the state-of-the-art in bilingual education is an exceptionally high priority and one that demands a substantial investment of resources.

One of the key questions in bilingual education is how to use culture in the curriculum in order to maximize benefits to the child. Research should specifically address this area.

Impact

In the short run these changes will dramatically increase the amount and scope of bilingual research projects. In the future, the results of this research should provide much needed answers to the many critical questions relating to bilingual education.

F. Title VII: Supplement Not Supplant (Section 107)

The Proposal

Introduce "supplement not supplant" language to emphasize basic local district responsibility for providing an appropriate educational program for its students with limited English language skills. Permit districts under *Lau* court orders to provide bilingual education programs to remain eligible for funds under this Act, but do not give them any priority in the competition.

Present Law

This is a new provision in Title VII.

Reason for Recommendation

As in the case of other Federal education programs, funds should be in addition to rather than in lieu of State and local funds devoted to the education of children with limited English language skills.

Districts implementing quality bilingual programs should not automatically be precluded from applying for Title VII funds because of the issuance of a *Lau* court order mandating bilingual education.

Impact

Districts will clearly be precluded from substituting Federal monies for State and local monies to serve their students with limited English language skills.

Title VII monies will not be channeled for civil rights enforcement purposes but districts under court order will not be excluded from the competition.

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VII. Impact Aid

A. Overview of the Program

Program Purpose

Impact Aid was enacted by Congress in 1950 to compensate school districts for the cost of educating children when enrollment and availability of local revenues are adversely affected by Federal activities in the area. It was the first major Federal support for elementary and secondary education.

The two Impact Aid laws provide funds for a district's ongoing maintenance and operation (P.L. 81-874) and to cover construction costs (P.L. 81-815). Under both laws, assistance for disasters (fire, hurricanes, floods, etc.) is also provided.

Eligibility

Districts are currently eligible which have 3 percent or 400 "Federally-connected children" enrolled. These children may be children whose parents live *and* work on Federal property ("A" children), or children whose parents live *or* work on Federal property ("B" children). Federal property is that which is owned by the Federal government and also includes Indian lands and public housing.

Payments

The total payment to a district is calculated by multiplying an amount per child (called the "local contribution rate") times the effective number of Federally-connected children in the district.

The local contribution rate is based on the average per pupil expenditures from local sources in "comparable" districts, *or* one-half the average State expenditure, *or* one-half the national average per pupil costs. The district chooses which of the three rates will be used.

The actual number of children for a given category of their parents' residence and employment characteristics are counted differently in order to reflect the sense that different types of students impose differing burdens on the district. The actual weighting of the various categories of children is now done using a complex "tier" system established in 1974.

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B. Impact Aid - Maintenance and Operations (P.L. 81-874)

The Proposal

Amend the Impact Aid program to accomplish the following:

- Eliminate payments for "B" out-of-county children whose parents work outside the county in which the school district is located.
- Change the method of computing the local contribution rate (the amount per child paid to the district) by: eliminating the use of the "comparable district method" of calculating local compensation rates for all but the most heavily impacted districts (those where "A" category children or "B" children who live on on Federal property constitute at least 50 percent of total enrollment) and by eliminating the use by districts of a payment rate of one-half the national average per pupil expenditure.
- Introduce a 3 percent "absorption" provision eliminating payments for Federal children equal to 3 percent of the district's non-Federal enrollment.
- Introduce a 75 percent declining hold harmless provision for three years to ensure that no district will suffer a sudden and substantial decrease in payments as a result of these amendments. There would be no hold harmless after the third year.
- Payments for children residing in low rent housing will be made at 1978 levels in 1979 and 1980, will be subject to the last year of the hold-harmless in 1981, and will be eliminated thereafter.
- Advance fund the program so that disticts will have knowledge of the amount they will receive far enough in advance to do local planning.
- Eliminate the "tier" system for allocation of funds.

Present Law

Although this proposal represents a major reform of the program, elements of the proposal build on current law or extend changes Congress enacted as part of the 1974 Amendments.

Elimination of payments for out-of-county "B" children builds on 1974 reforms which eliminated payments for Out-of-State "B" children and lowered entitlements for out-of-county "B" children.

B. Impact Aid - Maintenance and Operations (P.L. 81-874) (continued)

The proposals's 3 percent absorption provision extends and strengthens the absorption requirement that was enacted as part of the 1974 legislation.

The proposal's local contribution rate reform retains the present program's minimum rate of one-half State average per pupil expenditure and permits heavily impacted districts to continue their use of the comparable district method.

The present statute contains a number of hold-harmless provisions relating to specific parts of the law.

Reasons for Recommendation

The purpose of the Impact Aid program is to compensate local school districts for the cost of educating children when enrollment and availability of local revenues are adversely affected by Federal activities in the area. However, several extensive studies of the program, including the HEW analysis which was undertaken at the request of Congressional leadership, have identified aspects of the program which limit its effectiveness in compensating for these burdens.

Impact Aid payments are made for some types of children who are not associated with a burden that is Federally imposed on the district. "B" children whose parents work outside the county in which the school district is located are not associated with a loss of taxable property to the school district. They live on taxable residential property, while the non-taxable Federal property on which the parents work is outside the district.

Public housing children also do not represent a Federally imposed burden on a district. The non-taxable public housing property is locally, rather than Federally, owned and the Federal government provides substantial aid to the community through housing subsidies, debt service guarantees, and in-lieu-of-tax payments.

Impact Aid is targeted on many districts which are not significantly burdened and may even benefit from Federal activities. In 1978, nearly 20 percent ($130 million) of Impact Aid funds will go to over 2,500 districts with less than 10 percent Federally connected children. On average, these payments represent less than 2 percent of the local revenues available to such districts.

These lightly impacted districts are generally at or above State average property wealth despite the presence of Federal activities. In contrast,

B. Impact Aid - Maintenance and Operations (P.L. 81-874 (continued)

heavily impacted districts with Federal enrollments of 50 percent or more show real evidence of burden from Federal activity. The property value of these districts is only about one-half their State average.

Methods used to calculate local contribution rates are imprecise, disequalizing and subject to abuse. As currently used, the "comparable district method" provides a poor approximation of what local education costs would have been in the absence of Federal impact. In effect, it permits districts to select wealthy comparable districts on the basis of characteristics which are most likely to be affected by Federal presence. As a consequence, districts using this method obtain rates that are 40 percent higher than those they would receive using the higher of the two minimum rates. Moreover, wealthy districts rely on this method for over 50 percent of their Impact Aid funds.

Impact

These reforms will reduce total program costs. If enacted, the FY 1979 cost of $735 million is $76 million below what the current program would be. Although total program costs will be reduced, some districts will receive greater payments than in 1978. The amount of funds to heavily impacted districts — those with more than 25 percent Federal enrollment — will be approximately 8 percent above the 1978 level.

Decreases from the 1978 costs are primarily the result of reduced payments to districts with less than 25 percent Federal enrollment. Funds to districts in this category will be about 14 percent below 1978 levels.

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C. Impact Aid: Disaster Assistance (Section 203)

The Proposal

Raise the minimum amount of loss required for assistance under the program to $7,500 or 5% (whichever is less) of current expenditures of a school district.

Allow funds for the program to be appropriated during the regular budget cycle and permit unused funds to be carried over for subsequent years.

Eliminate payments for so-called "pinpoint" disasters by repealing the authority.

Present Law

The statute sets the level of loss to be eligible for assistance at $1,000 or 0.5 percent of current school district expenditures.

The Commissioner is currently required to borrow from other education programs when necessary to make disaster payments.

The Commissioner has the authority to provide funds upon request to a district affected by a disaster that was limited in damage or not declared a "major" disaster.

Reasons for Recommendations

The minimum level for loss has not changed since 1966 and inflation has rendered this level for eligibility obsolete. School districts are able to pick up the costs of minor losses.

It is impossible to predict disasters. However, rather than borrowing necessary funds for disaster assistance from other programs, it would be preferable to seek advance appropriations as well as contingent appropriations to meet unusual needs.

Prior to 1977, Federal funds were not made available to "pinpoint" disasters. Thus districts have been coping successfully with this problem without Federal assistance. Insurance is available for most catastrophes which would be categorized as "pinpoint" disasters.

C. Impact Aid: Disaster Assistance (Section 203) (continued)

Impact

Potentially, increasing the minimum level to $7,500 or 5 percent would reduce the local, State, and Federal administrative burden by half. It will also make more funds available for major disaster needs.

Would provide the Commissioner with more flexibility to obtain needed funds if there are none left in the program without hindering other education programs.

Eliminates one category of applicants (i.e., those districts which have suffered losses from "pinpoint" disasters) from receiving disaster assistance. However, OE has only funded this type of application for one year.

D. Impact Aid: School Construction Assistance (Section 204)

The Proposal

Revise the statute to make it consistent with other Impact Aid proposals. The proposal will also provide more flexibility for the Commissioner to provide assistance to districts with federally connected students. The specific proposals are (1) permit OE to determine entitlements on the basis of current State average per pupil cost; (2) give the Commissioner the discretionary authority to approve payments to districts that are projecting significant increases in their federally connected membership; (3) permit upgrading of facilities, if necessary, in order to transfer ownership to local authorities.

Present Law

Current statutory language is restrictive and requires that the program use data from the second preceding year in evaluating an application's total cost. These are not the most current nor best data available.

The present statute does not allow funds to be provided for future increases in Federally-connected membership due to special Federal projects or additions to military installations.

The Commissioner's authority to improve schools in order to facilitate their transfer to local ownership needs to be clarified.

Reasons for Recommendation

The data currently required by the statute for ascertaining project costs do not reflect true or current costs of construction. Current data are needed to determine applicant eligibility and bring all applications which have been filed up to date.

The Commissioner should have the authority to provide funds for districts which are scheduled to receive new defense installations (e.g., Trident, Safeguard) or other Federal projects in order that the Federally connected children can have school facilities as soon as the base or project becomes operational. This proposal gives the Commissioner the ability to meet future needs in these specific situations; however, he would determine how much would be spent and for what period of time.

The modifications strengthen the legal authority of the Commissioner to accomplish transfer of ownership of school facilities to local governments.

D. Impact Aid: School Construction Assistance (Section 208) (continued)

Impact

Changing the data requirements will require that the program update all existing applications and will also provide better data in new applications for the program.

The Commissioner is provided with an authority to fund certain districts which are affected because of new Federal projects or development of new installations. For the first time there will be money available to house students as soon as the project becomes operational.

Facilities will be upgraded when necessary in order to transfer their ownership.

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VIII. Adult Education Act (Section 301)

The Proposal

Reform the Adult Education program by: (1) revising the purpose of the Act to include an emphasis on functional literacy; (2) expanding the universe of eligible providers of adult education to include such groups as business, labor, and industry; (3) requiring states to develop a plan for expanding their service delivery system; and (4) adding a new research, development, dissemination, and evaluation authority at the Federal level with the goal of improving adult education programs throughout the nation.

Present Law

The current purpose focuses solely on attainment of a high school diploma. Providers at the local level can only be public and private non-profit organizations. There is no Federal research and development authority for generating program improvements.

Reasons for Recommendations

The expanded purpose would indicate Federal government recognition of a major problem—that many adults cannot read or write sufficiently well to function in modern society. At the same time, efforts to assist those adults who desire to attain educational credentials such as the high school diploma will continue. To some extent the two aims are complementary, as functional illiteracy and the lack of a high school diploma are highly related.

The proposal to expand the delivery system at the local level — to include such groups as community colleges, businesses, community action organizations, and labor unions — would help to reach adults in convenient and hospitable locations. In order to facilitate this expansion, one year planning grants will be provided to State departments of education. These grants would facilitate a participatory process for identifying literacy needs within the State and the development of a coordinated strategy to meet those needs, involving local education agencies, business, industry, community organizations, and other institutions.

Among the expected benefits are increased program effectiveness and greater motivation on the part of adults to enter and remain in the program. A more flexibile delivery system should make entry into a program more convenient and attractive. Moreover, the content of curriculum and courses could be based on immediate needs of the adult (e.g., learning to read a job advertisement) rather than using traditional elementary and secondary school content. In addition,

VII. Adult Education Act (Section 301) (continued)

it is expected that significant numbers of adults not currently being served will be brought into the program by expansion of the delivery system at the local level.

The Federal research and development authority would carry out badly needed activities to improve the state-of-the-art in adult education. Activities would include research on the most effective instructional approaches and delivery systems; examination of student motivation; further developmental work on instruments for measuring functional literacy; and demonstration of effective projects and practices. A major hindrance to development of more effective adult basic education programs is the absence of Federal discretionary authority for these activities. A Federal role in this area is needed.

Impact

Depending upon the success of proposed reform and future budget levels, these changes could dramatically increase the number of adults served as well as the effectiveness of adult education programs.

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VIII. Women's Education Equity Act

A. Purpose and Structure (Section 304)

The Proposal

Authorize the Women's Education Equity Act as a separate program rather than as a part of the Special Projects Act. In describing the purpose of this Act, increase the emphasis on implementing women's educational equity at particular educational institutions, especially in relation to the mandate in Title IX of the Education Amendments of 1972. Authorize the appropriation of such sums as may be necessary to carry out the expanded purpose.

Present Law

Activities for women's educational equity are now carried out under the Special Projects Act. Although the relevant portion of that Act appears to be written broadly enough to allow for implementation activities, the current emphasis is on demonstration projects. The current authorization is $30 million.

Reasons for Recommendation

Sex discrimination and stereotypes are still widespread at all levels of education. A separate authorization would help direct needed attention to these persistent problems.

An increased emphasis on implementation is recommended because many institutions and school districts want to explore new approaches to educational equity that would specifically benefit their own students, employees, and communities. Such local efforts deserve funding, and the statute should clearly authorize them as an integral part of the program. However, because funds have been limited, the program in women's equity has been restricted to supporting development and demonstration projects, and no other statutory authorities provide funds directly for the implementation of new approaches.

The change in the authorization level would permit increased activity in this area as schools act on their growing recognition of the need for women's equity.

Impact

The proposed changes would highlight the Federal concern with eradicating discrimination and stereotyping on the basis of sex and give greater direction to use of funds under this Act for implementation of educational equity for women at particular institutions.

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B. Women's Educational Equity Act: Technical Amendments (Section 304)

The Proposal

Increase the size limitation in the existing small grant program from $15,000 to $25,000.

Expand the mandate of the National Advisory Council on Women's Educational Programs to include advising and reporting to the Secretary of Health, Education, and Welfare, with an increased emphasis on reporting about equal educational opportunity for women.

Present Law

Under the Women's Educational Equity Act public agencies and private non-profit organizations can apply for either general or small grants. Small grants currently are not to exceed $15,000; the new provision would increase the maximum funding level for individual small grants.

Reasons for Recommendation

- The upper limit of $15,000 for the small grant program is insufficient considering the inflationary trends of the economy. The level of indirect costs and salaries alone can consume much of the grant amount, leaving very little money for actual development work.
- Expanding the mandate of the National Advisory Council on Women's Educational Programs to include advising and reporting to the Secretary of H.E.W. is an important ingredient in giving the Women's Educational Equity Program a greater focus on implementation of equal opportunity.

Impact

A higher limit on funding will permit the support of more effective projects.

Advising the Secretary of H.E.W. about WEEA program implementation will be useful in developing Departmental policy related to Title IX of the Education Amendments of 1972.

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IX. Emergency School Aid Act (ESAA)

A. Overview of the Program

ESAA was originally enacted as part of the Education Amendments of 1972. Its passage was prompted in large part by the wave of court orders and administrative rulings requiring massive desegregation in Southern school districts in 1969, 1970, and 1971. The main purpose of the Act is to provide financial aid for desegregating districts to conduct supplementary programs meeting the "special needs incident to" desegregation. Additionally, it is intended to encourage voluntary reduction of minority group isolation in districts with large minority enrollments. Its third and final purpose is to aid school children in overcoming the educational disadvantages of minority group isolation.

In an effort to make the program national in scope, the original legislation set up a State apportionment mechanism in which most ESAA program funds ($187 million out of $276 million in FY 1978) are apportioned among the States according to each State's minority student population. Districts requesting funds compete, in effect, against other districts in their State, on the basis of their need for desegregation assistance and the quality of their proposed ESAA project. The three programs conducted within the State apportionment framework are the basic grants program, the pilot projects program (focused on compensatory education services in districts with very high concentrations of minority children), and the program of grants to nonprofit organizations (each of which must be supporting a local district in its desegregation activities).

In addition, several nation-wide programs are currently authorized under ESAA, including aid to desegregating districts with significant enrollments of limited-English-speaking children, support for educational television programming designed to advance desegregation purposes, and, most important, a special projects authority designed to advance desegregation purposes. As experience with ESAA grows, it has become increasingly necessary to use the special projects authority to assist districts (a) that receive court orders after the basic grants funding cycle and (b) that are located in States with insufficient State apportioned funds. In 1976 new provisions were added to ESAA authorizing the support of magnet schools, neutral site planning, and pairing of desegregating schools with universities and businesses. Also added in 1976 was a provision authorizing support of remedial activities for Title I students transferred out of Title I schools due to desegregation (known as "follow the child").

The FY 1978 program appropriation was $276 million, with $290 million requested for FY 1979. This school year approximately 7 million children will receive ESAA-funded services in about 800 districts.

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B. ESAA: More Flexible Program Framework (Sections 401, 402)

The Proposal

In the part of the statute that apportions funds to States on the basis of minority student enrollment in the State, (a) eliminate the separate section for funding pilot projects (compensatory education programs in districts with high minority concentration), (b) cap the total authorization for state apportioned basic grants and grants to non-profit organizations at the FY 1979 level of $155 million, and (c) provide that unused funds in any State's apportioned amount may either be reapportioned to the remaining States by formula or transferred to the Special Projects section.

In the national competition section of the statute (the Special Projects section), eliminate the separate set-asides for bilingual instruction and educational television, but retain these as authorized activities.

Present Law

There is currently a separate authority for pilot projects as part of the State apportionment. Under existing law, funds which are not used by the State to which they are apportioned must be reapportioned to the other States according to formula.

In the Special Projects section, there are currently set-asides totaling $15 million for educational television and bilingual instruction.

Reasons for Recommendation

The pilot projects section provides funds for compensatory education programs for districts with high concentrations of minority children. Given the pressing need for ESAA funds to carry out desegregation projects, requiring expenditure of $32 million for the pilot projects prevents use of ESAA funds in areas of greatest need. Moreover, elimination of the pilot projects authority is not expected to cause significant curtailment of compensatory programs in districts currently receiving pilot projects funding, because of the new Title I targeting provision. That provision will target funds to districts with especially high concentrations of low-income children, and it will fund most districts eligible for pilot project grants. Thus, the special compensatory services needed in districts with high concentrations of poverty and minority children will be provided under this targeting provision, leaving ESAA funds to provide assistance for implementation of desegregation plans.

B. ESAA: More Flexible Program Framework (Sections 401, 402) (continued)

The cap of the remaining sections of the apportionment, and the provision of greater flexibility in the distribution of unused apportioned funds, responds to concerns expressed in the GAO report on ESAA and elsewhere that apportionment of funds by minority student population does not necessarily correspond to areas in which the need for desegregation assistance is the greatest. In some States a single large district uses all of the State's allocation under the apportionment; in others, all eligible districts are funded, regardless of the magnitude of need; and in some States the funds even exceed the needs of every eligible district in the State. It is therefore appropriate to place a limit on the amount of ESAA funds distributed throughout the apportionment.

The set-asides for bilingual instruction and educational television limit flexibility in administering the Special Projects funds. There are pressing needs in school districts throughout the country for desegregation assistance, and the $15 million currently set-aside for those activities should be made available for meeting whatever needs are most urgent, rather than for one or two specific kinds of activities. Provision of bilingual instruction or educational television programming for desegregation purposes would remain authorized activities under ESAA.

Impact

These changes would increase the percentage of ESAA funds available to meet the most pressing needs from 22 percent to 42 percent. This will permit allocation of funds to those districts with the greatest need for desegregation assistance.

The 150 districts currently receiving pilot project grants would be eligible to apply for desegregation assistance under the Special Projects authority. Moreover, at the FY 1979 budget request level of $400 million for the Title I targeting provision, those 150 districts would together receive a total of $40 million more under that targeting provision than they currently receive under the pilot projects section.

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C. ESAA: Revision of Authorized Activities (Sections 401, 404)

The Proposal

Revise the list of authorized activities to (i) provide a general, generic list of activities, rather than an exclusive list of specific activities, and (ii) reduce the emphasis on provision of compensatory education services. Remove the existing 5 percent limitation in the Special Projects section for provision of compensatory education services to former Title I students transferred out of Title I schools ("follow the child" services), but indicate clearly in the general list of authorized activities that follow the child services can be provided under ESAA.

The Present Law

Fifteen specific activities are currently authorized, with implicit priority given to remedial instruction. Districts are limited to those activities specifically listed. Follow the child services are not specifically included on this list, but the Special Projects section of the statute provides that up to 5 percent of Special Projects funds may be used for follow the child services.

Reasons for Recommendation

The generic list of activities is appropriate to ensure funding for the entire range of desegregation activities that advance the purposes of the statute. Although remedial services will not be prohibited under the statute, the intent is to de-emphasize them in situations in which remedial education is not a major desegregation need. These changes are consistent with the recent GAO report on ESAA.

There is currently some confusion about authority to provide follow the child services, since such services are not specifically mentioned in the list of activities, but a 5 percent limit is established on use of Special Projects funds for this purpose. Inclusion of follow the child services in the general list of authorized activities should eliminate this confusion and make clear that under all parts of ESAA, follow the child services may be provided. Elimination of the arbitrary 5 percent ceiling on the amount of funds that can be used for follow the child services, and clear authorization for these services under the State apportionment section of ESAA, will permit these services to be funded as part of local desegregation plans to the extent appropriate to carry out the purposes of the statute.

C. ESAA: Revision of Authorized Activities (Sections 401, 404) (continued)

Impact

These changes should structure the competition for funds in accordance with basic statutory objectives. They will permit award of funds to those districts that have the greatest need for assistance in carrying out a desegregation plan, and for those activities most directly related to the success of such plans.

February 28, 1978 59;

D. ESAA: Encourage State Leadership in Desegregation (Section 405)

The Proposal

Encourage State governments to play a larger role in the planning and implementation of voluntary desegregation within and among the school districts of their States. Two ESAA dollars will be provided on a matching basis for every State dollar expended on planning, technical assistance, and training activities related to voluntary desegregation. A State's grant may not exceed 10% of its State total allocation under the ESAA State apportionment or $500,000, whichever is greater. State applications must be developed with the consultation of parents, teachers, educators, and minority group representatives.

Present Law

States are currently eligible grantees under the special projects authority, but no special program exists to enlist their participation in voluntary desegregation activities.

Reasons for Recommendation

Observers of the desegregation process have thought for some time that State leadership is a critical component in desegregation success, due to the States' ability to understand local problems and circumstances. In many instances, voluntary desegregation efforts — backed jointly by a State and a broadly representative group of parents, teachers, educators, and minority group representatives — provides a far more promising way to redress problems of racial segregation than divisive litigation. Although Title IV of the Civil Rights Act of 1964 provides some authority for planning and technical assistance activities with regard to de jure segregation, nowhere is there a specific authority to encourage States to assist local districts in finding voluntary ways to reduce racial segregation in the educational system. States are well situated, in terms of proximity to local districts, access to detailed information, and possession of legal authority or political influence over the educational system, to lead voluntary efforts to desegregate schools. A recent HEW report confirms these observations by showing that State enforcement and assistance actions had contributed to stepped-up desegregation in those States in which legal authority and political support existed for such actions.

D. ESAA: Encourage State Leadership in Desegregation (continued)

Impact

At the present time only about nine States have significant desegregation programs underway utilizing State funds. Another 34 or so have funded State programs under Title IV of the Civil Rights Act of 1964, and might be encouraged by the availability of ESAA funds to expand their programs to engage in planning, technical assistance, and training activities. If so, it might be possible to generate significant momentum for new efforts towards voluntary reduction of racial isolation.

E. ESAA: Multi-Year Grants (Section 406)

The Proposal

Permit grants to be awarded for a period of up to five years, subject to annual review of civil rights compliance and progress of the grantee in achieving the desegregation objectives set out in its application. The exact duration of a grant would be determined on the basis of the applicant's specific needs and circumstances, and where those needs persist after five years of funding, a grantee could apply for a successive award. Among the criteria to be considered in judging applications would be the recentness of the implementation of the desegregation plan, the need for assistance, and the quality of the plan. Voluntary desegregation plans will be considered on an equal basis with plans designed to remedy de jure segregation.

Present Law

Districts are currently required to submit annual applications for support. The existing statute does not explicitly list the recentness of the implementation of a desegregation plan as a criterion with which to judge applications for funding. Although the statute does not explicitly give a preference to either voluntary or mandatory plans, it has been claimed that, in practice, the latter has been favored.

Reasons for Recommendation

Permitting grants for up to five-years should assist districts in engaging in long-term planning and in directing their attention to future desegregation problems. Moreover, elimination of the requirement of annual applications will significantly reduce paperwork burdens for many districts and for Federal program administrators. However, the annual review of civil rights progress in meeting desegregation objectives will ensure that funds committed for a period of several years will continue to be used in conformity to legislative purposes.

Greater statutory emphasis on the recentness of the plan to be implemented will reinforce the "emergency" nature of the Act and help to direct resources to districts with the most pressing needs. At the same time, funds will remain available for districts with significant long-term or lingering problems arising from past or continuing racial segregation.

ESAA: Multi-Year Grants (Section 406) (continued)

The clear statutory declaration that voluntary desegregation plans should not suffer from any handicap in the competition for program funds should help to create a greater emphasis on voluntary desegregation efforts, both by local districts and by States.

Impact

The legislative changes contained in this proposal should work to target ESAA funds to areas of greatest need, to assist local districts in more effective long-term desegregation planning, and to encourage districts to seek assistance for voluntary desegregation activities.

February 28, 1978 63)

XI. Nonpublic School Children

A. Overview

Eight proposals — one administrative and seven legislative — address the need to ensure that children attending nonpublic schools receive their equitable share of the benefits of Federal programs consistent with the Constitution. In the past, these children have not received benefits to which they are entitled by law, and there has been little systematic attempt to determine the extent of their participation and to remedy shortcomings in the provision of services to them. The Administration intends to mount a concerted effort to improve the performance of Federal programs in delivering to nonpublic school children the services to which they are legally entitled.

Many of the elementary and secondary education programs already provide for the equitable participation of nonpublic school children in theory. In several cases, the existing legal requirements appear to need strengthening or clarification, while in others new administrative arrangements would expedite the fair provision of services to children. Through administrative action and new legislative authority, the Administration intends to determine what services children in nonpublic schools currently receive and what services they are entitled to receive, and to ensure that they obtain their fair share of the benefits of Federal programs.

It is difficult to gauge the effect that the proposed administrative and legislative changes will have, particularly since there is currently such a paucity of data about the extent of participation of nonpublic school children. However, there appears to be room for a dramatic improvement in the provision of services under Federal programs to children who attend nonpublic schools. These proposals should clarify statutory requirements, increase the scope of State and Federal responsibility and authority, and permit the administration of these programs to respond more quickly and effectively to the needs of children who attend nonpublic schools.

February 28, 1978 64)

B. Creation of an Office for Nonpublic Schools

The Proposal

Establish within the Office of Education a new Office for Nonpublic Schools. This Office will monitor and coordinate the provision of services to nonpublic school children under all Federal elementary and secondary education programs that call for the participation of such children. A major function of this Office will be to collect data on a systematic basis about the extent of actual participation of nonpublic school children in Federal programs, and to determine the degree to which those children are not being provided services to which they are entitled. The Office will also be responsible for processing complaints filed with the Office of Education about the expeditious resolution of these complaints. This Office will be established by administrative action.

Present Law

The participation of nonpublic school children in Federal elementary and secondary education programs is currently overseen primarily by the program office for each separate program.

Reasons for Recommendation

There is a need for sustained improvement in the administration of programs designed to benefit children in nonpublic schools. Efforts to evaluate and increase the degree of participation of nonpublic school children in Federal programs are currently handicapped by a serious lack of data about such participation. This Office can play a major new role in obtaining necessary data.

In addition, a special Office, separate from each of the program offices, should be especially sensitive to the needs of children in nonpublic schools and effective in seeing that they receive the services they need. Because its central mission will be to ensure that statutory requirements providing for the equitable participation of such children are fulfilled, it should give greater force to administrative efforts designed to ensure that nonpublic school children receive their fair share of services under Federal programs.

February 28, 1978 65)

C. Elementary and Secondary Education Act, Title I: Participation of Nonpublic School Children (Section 101 (f, g, k))

The Proposal

In order to increase the participation of nonpublic school children in Title I programs it is proposed: (1) to require that spending for educationally deprived nonpublic school children be equal, consistent with their numbers and educational need, to spending for public school children; (2) to ensure that Title I funds distributed through the new Special Incentives Grants Provision (Part B) and the Targeting Provision (Part C) are subject to the same requirements for participation of nonpublic school children as the basic Title I grant program (Part A); and (3) to require that the Title I plan submitted by a State educational agency indicate how that agency intends to monitor the compliance by local educational agencies with requirements governing participation of nonpublic school children.

Present Law

The law generally requires the equitable participation of nonpublic school children, but does not mandate equal spending. There is no existing requirement that plans submitted by State educational agencies specifically indicate how the requirements governing participation of nonpublic school children are to be enforced.

Reasons for Recommendation

Nonpublic school children should benefit from all funds distributed under Title I, in accordance with their needs. In the past, these children have often not received the full benefit of Title I services to which they are entitled. Adding a requirement of equal spending for nonpublic school children provides a clearer benchmark against which to measure the adequacy of services they have received. And requiring the State educational agency to indicate in its plan how it will monitor compliance by local educational agencies with these requirements should help to make the States a more vigorous force in ensuring that nonpublic school children obtain their fair share of Title I services.

February 28, 1973 66)

D. Elementary and Secondary Education Act, Titles II and III: Participation of Nonpublic School Children (Sections 103 and 104)

The Proposal

In the new or revised authorities in Titles II and III of ESEA — the Basic Skills and Educational Quality Act, and the Special Projects Act — include provisions requiring the equitable participation of children who attend nonpublic schools.

Present Law

Although some of the existing authorities to be included in these Titles require the equitable participation of nonpublic school children, others contain no provision to ensure that these children are given the opportunity to share in the benefits of Federal programs.

Reasons for Recommendation

These Titles fund activities and provide services in which nonpublic school children ought to share. Titles I, IV, and VII of ESEA already reflect the basic Federal policy that nonpublic school children should receive their fair share of benefits from Federal programs. The authorities in these new Titles should be governed by that same basic policy.

E. Elementary and Secondary Education Act, Title IV: Participation of Nonpublic School Children (Section 105)

The Proposal

As is explained elsewhere, it is proposed to restructure Titles IVB and IVC into three new authorities: (i) Instructional Materials, (ii) Local Innovation, and (iii) Strengthening State Management. In each of these authorities, it is proposed to add provisions to increase participation of nonpublic school children.

In the Instructional Materials authority, nonpublic school children would be permitted to receive instructional materials even if they are within a public school district in which the students are not receiving instructional materials. In the Local Innovation authority, school districts would be required in their application to indicate how the needs of nonpublic schools have been taken into consideration in formulating the proposal. In the Strengthening State Management authority, States would be required to establish a mechanism for providing information and technical assistance to nonpublic school officials with regard to participation of children in those schools in Federal elementary and secondary education programs.

Present Law

Under Title IV, children attending nonpublic schools may receive services only when they are located in a public school district in which students are receiving Title IV services. The other two changes are additions to present law.

Reasons for Recommendation

There is no reason why a nonpublic school child with legitimate needs for instructional materials should be automatically ineligible because a public school district is not receiving Title IV services — whether because of failure to apply or failure to meet eligibility requirements.

In the past, public school districts often have not taken the needs of nonpublic school children into account in seeking grants for local innovation. As a consequence, those grants have not reflected the needs of, and frequently have not benefited, nonpublic school children. Requiring the consideration of those needs will lead to more equitable participation of nonpublic school children.

E. Title IV: Participation of Nonpublic School Children (Section 105) (continued)

Some nonpublic school officials are unfamiliar with the range of Federal programs from which children in those schools might obtain benefits. Because States are involved in administering many of these programs, and because they can provide assistance to the large number of schools within their boundaries, they are the appropriate institution to provide such assistance.

F. Elementary and Secondary Education Act, Titles II and IV: Participation of Nonpublic School Children in Statewide Testing Programs (Sections 104 and 105)

The Proposal

Require that any statewide testing program funded either under the Basic Skills authority in the Title II Basic Skills and Educational Quality Act, or under Title IV, provide for the equitable participation of nonpublic school children.

Present Law

This is a new provision in both Titles.

Reasons for Recommendation

If a State decides to assess student performance on a statewide basis, there is no reason to exclude children who attend nonpublic schools from such a program.

February 28, 1978   70)

G. Elementary and Secondary Education Act, Titles I and IV: Operation of Bypass Authority to Benefit Nonpublic School Children (Sections 101(j) and 105)

The Proposal

In the bypass authorities in Titles I and IV, replace the existing "on the record" hearing procedure with a streamlined "show cause" proceeding. Upon receipt of notice of proposed action by the Commissioner, a state or local educational agency would have 45 days to submit written objections and to appear before the Commissioner or his designee to show cause why the proposed action should not be taken.

Present Law

In Titles I and IV, the existing bypass procedure must be "on the record," which requires that an Administrative Procedure Act (APA) qualified hearing examiner preside at bypass hearings, and also requires time-consuming and unnecessary procedural formalities.

Reasons for Recommendation

In the past, considerable delays have resulted in Title I and Title IV bypass hearings from the simple need to locate a qualified hearing examiner, and the necessity to observe additional procedural formalities has further burdened the operation of bypass proceedings. Delays in the invocation of the bypass authority have been a significant obstacle in the past to participation of nonpublic school children in Federal programs. A simple "show cause" procedure will provide a State or local educational agency with full opportunity to present its arguments, but will streamline the bypass authority to make it an effective remedy.

H. Elementary and Secondary Education Act, Titles I and IV: Authority of Commissioner to Withhold Funds Pending Resolution of Complaints Concerning Participation of Nonpublic School Children (Sections 101 and 105)

The Proposal

Provide a clear grant of authority to the Commissioner to withhold from the allocation to a State or local educational agency funds determined to be necessary to pay the cost of services to children who attend nonpublic schools, pending resolution of a complaint or investigation concerning the failure to provide services to which those children are entitled.

Present Law

Present law is not fully clear on the existence of this authority.

Reasons for Recommendation

Authority to place in escrow those funds necessary for provision of services to nonpublic school children is a necessary remedy to ensure that those children receive services to which they are entitled. It is far easier to withhold funds that then become available to nonpublic school children upon a determination that a State or local agency has failed to provide required services, than it is to attempt to recoup funds already disbursed to such an agency. Although existing law may already provide this authority, clarification that the authority in fact exists is desirable to ensure that the Commissioner has the unchallenged power to withhold funds when appropriate.

February 28, 1978 72)

I. Elementary and Secondary Education Act, Title VII (Bilingual Education): Participation of Nonpublic School Children (Section 107(c))

The Proposal

Establish a new bypass authority in the Commissioner to (i) withhold approval of applications until the applicant demonstrates compliance with requirements governing participation of nonpublic school children, or (ii) reduce grant payments to public school districts and use the withheld amount to serve nonpublic school children within that district who would not be adequately served under the Federally-funded program to be carried out by that district.

Present Law

Although equitable participation of nonpublic school children is already required in the Bilingual Education program, there is no mechanism for ensuring that those children are served when a public school district is unable or unwilling to provide bilingual instruction to those children.

Reasons for Recommendation

Just as there is authority in Titles I and IV to "bypass" State or local educational agencies that fail to comply with requirements governing participation of nonpublic school children, there should be such authority in the Bilingual Education program. This proposal will permit children with limited English language skills enrolled in nonpublic schools to obtain services through arrangements made by the Commissioner, in situations where public districts fail to comply with statutory requirements.

XI. GENERAL EDUCATION PROVISIONS ACT

A. Promulgation of Regulations (Section 502)

The Proposal

Modify the procedure in Section 431 of the General Education Provisions Act, relating to the issuance of regulations by the Education Division, to be consistent with the requirements of the Administrative Procedure Act (APA). The provision relating to Congressional review of those regulations would be repealed.

Present Law

Current law establishes requirements for promulgation of education regulations that are in addition to, and inconsistent with, those in the APA. (For example, the APA authority to waive rulemaking in certain cases does not apply to OE regulations.) The current provision relating to Congressional review of regulations requires the effective date of all OE regulations to be delayed until 45 legislative days (which can be as much as 90 calendar days) after submission to Congress.

Reasons for Recommendation

The current requirements for the promulgation of regulations for education programs are confusing and internally inconsistent. Moreover, they are inconsistent with the provisions in the Administrative Procedure Act that govern the issuance of regulations by every other government agency. Our proposal would conform the requirements for the issuance of education regulations to those in the APA, which provides for notice of proposed rulemaking and opportunity for public comment.

The Administration is of the view that the current provision in Section 431 of the General Education Provisions Act relating to Congressional review of education regulations is unconstitutional. Moreover, it creates a substantial delay in the effective date of these regulations. When added to the period of time it takes to develop the regulations and obtain public comments, this additional delay frequently interferes with efficient program administration.

Impact

The amount of time spent in promulgating regulations should be substantially reduced, and the requirements for issuing regulations will be clarified and streamlined.

February 28, 1978 74)

B. GEPA: Simplified State Applications (Section 503)

The Proposal

Establish a single State application procedure to cover a State's participation in the State formula grant programs (Titles I and IV of ESEA, Adult Education, Vocational Education, Education of the Handicapped, and Library Services and Construction). Under this procedure, all the assurances and requirements that are common to these State operated programs would be contained in a single application which the State would be required to file only one time, with updates being required only when necessitated by changes in Federal or state law. A similar procedure would be established to cover the participation of local educational agencies in these programs.

The Present Law

Section 434(b) of GEPA now appears to provide for a single State application procedure. In fact, it requires an additional application in some cases; and no attempt was made in enacting Section 434(b) to integrate its requirements with program statutes. Our proposal would require that the common assurances — such as those related to evaluations, control of funds and fiscal effort — will be filed only once. In addition under Title I and IV of ESEA and the Adult Education Act, substantive program plans are required only once every three years.

Reasons for Recommendation

This proposal should significantly reduce the paperwork burden on States and localities participating in Federal education programs. Along with the shift to triennial program plans, the procedure for a simplified, uniform, one-time application will ensure that the amount of paperwork associated with these programs will be reduced to the minimum amount necessary to provide accountability for their operation and to enable program managers to assess their impact.

Impact

This will reduce substantially repetitive paperwork requirements at both the State and local levels.

February 28, 1978 75)

C. GEPA: Enforcement (Sections 503, 504)

The Proposal

Establish a uniform and comprehensive enforcement strategy to provide Federal and State officials with effective, yet flexible, mechanisms to ensure that the legal requirements associated with Federal education programs are met. The bill would provide clear authority for State agencies to take necessary steps to ensure that localities are operating their programs in conformance with law. This would include authority to withhold approval of local applications, to suspend or withhold payments, and to audit programs and recover misspent funds. The bill would also consolidate and make uniform all the provisions in these State operated programs related to Federal enforcement; and it would establish in the Office of Education an Appeal Board to provide opportunities for hearings on audit matters and proposed withholdings, and to issue orders to States to cease and desist from spending Federal funds when the State or local agency is found in violation.

In addition, the Commissioner and the States are given the flexibility to withhold or recover all or part of the funds spent by a State or local agency found in violation. Finally, the Commissioner is also empowered to work with States to find a solution prior to final determination of an audit exception and to compromise (i.e., lessen or waive) a withholding at any time so long as the practice in question is terminated.

Present Law

There is currently authority in most program statutes to withhold funds where non-compliance with program requirements is found. Section 434(c) of GEPA also contains general authority to withhold funds. Our proposal consolidates and makes these provisions uniform. The proposed audit authority makes explicit the Commissioner's implicit authority in this regard. The cease and desist authority is new. The Education Appeal Board is an expansion of the existing Title I Audit Hearing Board, which was created administratively.

A generalized authority to withhold only part of the funds for a State or local agency in violation is new, as is the Commissioner's authority to develop a compromise solution.

C. GEPA: Enforcement (Sections 503, 504) (continued)

Reasons for Recommendation

This proposal would establish clear and uniform procedures for the enforcement of program requirements relating to these State operated programs. It would eliminate the confusing provisions in existing law relating to that enforcement, and it would create broader authority in a single statute to provide Federal and State officials the necessary flexibility to fit the enforcement strategy and sanction to particular circumstances. It would permit disputes to be resolved more quickly and more fairly, so that program operations can readily be brought into conformance with law.

Impact

The development of a uniform mechanism for enforcement across the major Federal programs in education will greatly reduce the confusion created by different mechanisms in many laws. This should make enforcement and monitoring activities more fair, timely and efficient. By placing the general framework in the law, the procedures will be standardized across the entire authorization rather than being subject to modification through regulations.

SUMMARY OF THE EDUCATION AMENDMENTS OF 1978

Title I--Amendments to the Elementary and Secondary Education Act of 1965

Amendments to Title I of ESEA

Section 101 of the bill contains amendments to title I of the Elementary and Secondary Education Act of 1965 (ESEA).

Reauthorization of the Program

Subsection (a) extends the program through fiscal year 1983. The 100 percent hold harmless for State operated programs would also be extended through 1983.

Subsection (b) amends those sections of the Act relating to payments for the insular territories to include the Northern Mariana Islands, consistent with the recently concluded covenant with that jurisdiction.

Subsection (c) amends the distribution formula under part A of title I to provide that data from the most recently completed decennial or mid-decade census will be used in computing allocations under title I.

Subsection (d) revises that provision in the Act relating to grants under part A for Puerto Rico to provide that the grant for which Puerto Rico will be eligible under part A will be adjusted according to the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure in any of the fifty states. (This is similar to the approach used for adjusting welfare benefits in Puerto Rico under the President's welfare reform proposal.)

Subsection (e) conforms the definition of handicapped children for purposes of the State-operated handicapped program under title I to that in the Education of the Handicapped Act. Paragraph (2) of this subsection modifies the program requirements for the State-operated handicapped program to authorize the Commissioner to prescribe regulations to ensure that after September 30, 1979, State programs under title I will be operated in a manner consistent with the requirements relating to State handicapped programs assisted under part B of the Education of the Handicapped Act.

State Incentive Grants

Subsection (f) amends part B of title I to create a new incentive grant program to encourage, through matching grants, States to establish and expand their own compensatory education programs. Under this proposal States would be given grants of one Federal dollar for each two dollars of State funds which are used for compensatory education programs similar in design and effect to those operated under title I.

Proposed section 126 requires that to be eligible for an incentive grant, a State's program must be designed to meet the special educational needs of educationally deprived children, provide funds to local educational agencies in addition to the amount provided under the basic State aid program, be evaluated, and require local educational agencies to be accountable to the State for meeting those requirements.

Proposed section 127 would provide that the amount provided to a State under the incentive grant program would be distributed to LEAs in proportion to the size of their grants under part A, and be used for those same purposes. The total amount for each State under this part would be limited to 5 percent of that State's total part A entitlement in fiscal year 1980, and that limit would be raised by one percent each year to 8 percent in fiscal year 1983.

Proposed section 128 would provide that the amount available for this part for any fiscal year would be distributed to States in proportion to their total entitlements for incentive grants. In order to ensure that, after the program has been in operation for a year, the participation of additional States in the program in subsequent years does not reduce the amount available for States which have been participating in the program, States that continue to be eligible for incentive grants would be held harmless at their previous year level, and newly participating States would be awarded a proportionate share of any increases.

In order to ensure that an appropriate portion of the increase in title I appropriations for each fiscal year is devoted to incentive grants under this part, section 129 would require that part B funding be a minimum amount of each year's increase for part A. For fiscal years 1980, 1981, 1982, and 1983, that amount would be 20, 30, 40, and 40 percent, respectively, of the increase in part A for that year, plus the minimum amount so required for part B for the preceding fiscal year. This section would also authorize the appropriation of such additional amounts as may be necessary for part B.

Special Grants for LEA's With High Concentrations of Poor Children

Subsection (g) of section 101 would establish a new part C of title I to provide special grants for local educational agencies with especially high concentrations of children from low-income families to enable those agencies to provide more effective programs for educationally deprived children, especially in the basic skills.

Proposed section 131 would provide that a local educational agency would be eligible for such a grant if its number of such children exceeded 5,000 or 20 percent of the total number of children aged 5-17 residing in the district of that agency. The amount appropriated for the new part C would be allocated among eligible local educational agencies in proportion to the amount by which the number of children in each local educational agency exceeds those threshold amounts. The provisions of this part would not apply to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Proposed section 132 would provide that the amount of any grant under this part would be added to a local educational agency's allocation under part A and would be used for the same purposes.

Section 133 would authorize the appropriation of $400 million for this part for fiscal year 1979 and such sums as may be necessary for each of the four succeeding fiscal years.

Local Applications and Program Requirements

Subsection (h) of section 101 would revise the requirements relating to applications by local educational agencies for title I grants to--

(1) require applications only every three years, rather than annually as presently required.

(2) revise the existing program requirements in section 141(a) to delete those requirements of a general nature which will be contained in a general application under the General Education Provisions Act that will relate to all State operated elementary and secondary programs,

(3) provide more explicit guidance with respect to title I evaluations and the use of the results thereof,

(4) require teachers to be included in planning for title I programs,

(5) require parents to be informed of the instructional goals of the title I programs their children are participating in, and

(6) require local educational agencies to consider including in their title I programs components designed to sustain achievements beyond the school year in which a program is conducted.

Proposed subsection (c) of section 141 would consolidate in one place those requirements relating to the supplementary use of funds under title I and comparability of services between project areas and nonproject areas. The only substantive change in this provision would be the elimination of that requirement (now contained in the definition of the "excess costs") that requires a determination that programs for handicapped children and children with limited English language skills be comparable as between title I areas and non-title I areas. This requirement is unnecessary because access to adequate services for these groups is required under part B of the Education of the Handicapped Act and the Supreme Court's Lau decision.

Subsection (d) of section 141 is a listing of allowable uses of title I funds which are now scattered at various places in the statute. The purpose of this provision is simply to put all of these provisions in one place.

Subsection (e) of section 141 sets forth criteria for the selection of eligible attendance areas for title I programs. This provision is also intended to consolidate in one place a number of scattered provisions relating to the selection of attendance areas. The only substantive change in this provision is to permit school districts to serve any school or attendance area in which at least 20 percent of the children are from low-income families, provided that the total amount of title I funds and funds provided under similar State compensatory education programs available to the district equals or exceeds 80 percent of its maximum entitlement under part A, and that the areas previously served by title I continue to receive at least the same amount of assistance as they received in previous years.

Subsection (f) of section 141 is a new provision which is designed to permit local educational agencies in States that have their own compensatory education programs to use funds under those programs in areas outside title I project areas, without regard to the amount of State compensatory funds they use in title I project areas, but only if the amount available for services in title I project areas under both title I and a similar State program equals or exceeds the district's full entitlement under part A.

Subsection (g) of section 141 is a new provision that would permit the Commissioner to waive program requirements in the case of Puerto Rico and other outlying jurisdictions when he determines that compliance with those requirements by those jurisdictions is impractical or inappropriate because of particular circumstances in any of those jurisdictions. In granting any such waiver the Commissioner would be authorized to require those jurisdictions to inform him of their plans for use of these funds in such a way as to accomplish the purposes of title I. The Commissioner would be required to publish notice of his intent to grant any such waiver in the Federal Register at least 30 days before taking that action.

School-wide Projects

Subsection (i) of section 101 of the bill would establish a new section 141B of title I that would permit districts with schools in which at least 80 percent of the children are from low-income families to carry out in those schools comprehensive, school-wide programs involving the coordinated use of title I funds with local funds in order to meet the needs of all children in the school. In order for a local educational agency to designate such a school, it must develop a plan for that school providing a comprehensive assessment of the educational needs of all students in the school and provide an instructional program designed to meet those needs. That plan would have to be developed with the involvement of parents, teachers, administrators, and other individuals involved in carrying out the plan, and would be required to be approved by the school's title I parent advisory council.

A plan could only be carried out in a school in which the amount of compensatory education funds available equals or exceeds 32 percent of the average per pupil expenditure in that local educational agency. (The 32 percent figure is derived from the amount which a school with 80 percent children from low-income families would receive if title I were fully funded, i.e. at 40 percent of the average per pupil expenditure.)

If the State educational agency approves the plan of the local educational agency for a school-wide project, the local educational agency would be permitted to commingle title I funds with regular funds, would not be required to identify particular children as eligible for title I services, and would not be required to demonstrate that any particular services paid for under title I were supplementary to the regular program. The district would be required to demonstrate in its plan, however, that all children with special needs, including the educationally deprived, would receive special services commensurate with those needs.

Services to Children in Private Schools

Subsection (j) amends section 141A of the Act (relating to children in private schools) to--

(1) clarify the requirement for equitable services to such children and provide that expenditures for such children should be equal to the expenditures for children in public schools with similar needs;

(2) make clear that when the Commissioner exercises his authority to provide services directly for private school children, that in deducting the amount necessary from the allocation of the State or local educational agency involved, he may deduct administrative costs relating to those arrangements;

(3) authorize the Commissioner to hold in escrow the amount necessary to implement a by-pass operation during any negotiations or proceedings leading up to such a by-pass;

(4) make clear that when the Commissioner does invoke the by-pass, it will continue in operation from year to year until the State or local educational agency involved demonstrates that it will be able to provide adequate services to private school children, and

(5) eliminate the detailed requirements that local and State educational agencies be offered the opportunity for an on the record hearing before the by-pass may be invoked. Instead, the Commissioner could invoke the by-pass 45 days after providing those agencies the opportunity to present written objections or appear personally before the Commissioner to show cause why he should not take that action.

State Applications

Subsection (k) would amend section 142 of the Act, relating to State applications, to eliminate any requirement for an annual program plan from the State and require instead that the States submit at least every three years a monitoring and enforcement plan that would indicate what efforts it will be taking to ensure that local educational agencies are in compliance with the requirements of title I, and to describe its efforts since submission of the previous plan to enforce those requirements.

Subsection (ℓ) would increase the amount provided to States for administration of the program from 1 to 1.5 percent of the amount of grants to local educational agencies in the State. The minimum amount would be raised from $150,000 to $225,000 ($37,500 in the case of the outlying areas).

The maintenance of effort requirement for title I would be eliminated, since a general maintenance of effort requirement will be included in the single state application provision to be added to the General Education Provisions Act.

Miscellaneous Amendments to Title I

Subsection (ℓ) also would revise section 144 of the Act relating to adjustments where necessitated by appropriations. This provision is similar to existing law except that--

(1) a district's total payment under parts A and C could not exceed 100 percent of its maximum entitlement under section 103, and any excess would be ratably distributed under part A to all other LEAs in the country whose allocations did not exceed their entitlements, and

(2) the amount paid to a local educational agency under parts A, B, and C could not exceed 100 percent of its maximum entitlement under section 103, and any excess caused by increases due to State incentive grants under part B would be ratably allocated to other local educational agencies in the State that are not receiving their maximum entitlements.

(3) the maximum payment to Puerto Rico under title I would be 150 percent of the amount it received in the preceding fiscal year.

Subsection (m) would repeal sections 146 and 147, dealing with withholdings and judicial review. since those provisions would be covered by new enforcement provisions applicable to all ESEA programs in the General Education Provisions Act. A new section 146 would be added that would set forth all the definitions applicable to title I, rather than having them set forth separately in P.L. 81-874 as is now the case. Except as discussed above with regard to excess costs, these definitions would be the same as those in existing law.

Subsection (n) would revise section 151 of the Act, relating to evaluations, to eliminate the reference to the study authorized by section 821 of the Education Amendments of 1974, and by requiring instead that at least $3 million of the annual evaluation set-aside in title I would be available for studies and surveys relating to compensatory education carried out by the National Institute of Education.

Section 102 of the bill contains a number of conforming amendments that relate to title I. These amendments relate principally to the deletion from P.L. 81-874 of the definitions for title I.

THE BASIC SKILLS AND EDUCATIONAL QUALITY ACT

Section 103 of the bill would amend title II of the Elementary and Secondary Education Act to establish a new Basic Skills and Educational Quality Act. The Act would establish a discretionay grant program aimed at improving the achievement of children in the basic skills of reading, mathematics, and written and oral communcation.

Under this program the Secretary would be authorized to make grants to and contracts with State and local educational agencies and other public and private agencies, organizations, and institutions to carry out planning, research, development, demonstration, evaluation, and dissemination activities related to basic skills achievement. The program would supersede and expand upon the existing Right to Read program. Technical assistance would also be authorized. Activities that could be funded include--

(1) assistance for efforts designed to demonstrate improved instructional approaches in basic skills, including diagnostic testing, the development of comprehensive basic skills programs. projects for out-of-school youths. and short-term training programs;

(2) assistance in improving local efforts to test basic skills achievement, including the training of personnel to administer tests. dissemination of information concerning the availability and validity of various tests, and the development of improved tests;

(3) assistance to State educational agencies to develop and implement comprehensive Statewide plans for improving achievement in basic skills;

(4) support of demonstration activities designed to enlist parents to work with the schools to improve the achievement of their children in basic skills, including the development and dissemination of materials to be used in the home. planning for and developing centers accessible to parents to enhance their ability to assist in the instruction of their children. and training programs for parents;

(5) support for development and demonstration activities for the improved use of radio, television and other technology in basic skills instruction; and

(6) assistance for activities that involve private agencies. organizations, and institutions (such as labor unions. businesses, and volunteer organizations) in stimulating children and adults to improve their achievement in the basic skills. (This would include activities such as Reading Is Fundamental.)

All activities carried out under this title by State and local educational agencies would be required to include the equitable participation of children enrolled in private schools.

Special Projects

Section 104 of the bill would amend title III of the Elementary and Secondary Education Act to establish a program under which the Secretary would be authorized to carry out special projects to experiment with new educational and administrative methods, techniques and practices, to meet special or unique educational needs, and to place special emphasis on national education priorities. This program is intended to continue the support of those activities that are now carried out under the existing Special Projects Act, including arts in education, consumer education, education of gifted and talented children, metric education, career education and community schools, but not including Women's Educational Equity, which would be authorized under new authority discussed below. The Environmental Education program and the Alcohol and Drug Abuse Education program, which are now carried out under separate authority, would also be included under this new Special Projects authority.

The career education authority would be expanded to include the coordination of educational activities with youth employment activities, including those carried out by the Department of Labor under CETA. The community schools authority would also be broadened to permit the demonstration of means of improving educational quality by creating new relationships between schools, places of work, and other community facilities.

Under the proposed new special projects authority, the Secretary would be authorized to carry out the same activities that are now carried out under the above programs. Some projects would be required to be funded in each of those programs. In addition, the Secretary would be authorized to carry out other activities that would accomplish one or more of the purposes of this title described above. Under this new authority, the Secretary would be authorized to make grants to, and contracts with, State and local educational agencies, other public and private agencies, organizations and institutions, and individuals.

Grants could be made to individuals under this program under a new authority to make small grants to teachers, administrators, other educational personnel and parent organizations (in amounts not to exceed $25,000) to assist in developing or demonstrating innovative methods or techniques which those individuals or organizations believe would contribute to the solution of educational problems of which they are aware. This authority is intended to encourage grass roots approaches to the solution of educational problems.

Revision of Title IV of the Elementary and Secondary Education Act--Educational Improvement, Resources, and Support

Section 105 of the bill would amend title IV of ESEA to update the activities authorized under that program, to establish a more rational division among those activities, and to make other necessary changes relating to the administration of the program.

Proposed part A of the new title IV (sections 401-405) is similar to the existing part A of title IV, which sets forth general provisions applicable to all parts of the title.

Section 401 sets forth the purpose of the title and is similar to existing law.

Section 402 provides for allotment of funds appropriated under the title to the States in proportion to their number of school aged children. All States would be held harmless at the level of their 1979 allotments.

Section 403 requires States to submit triennial plans relating to their participation in programs under title IV (in lieu of the annual plans required under existing law). The requirements of those plans are similar to the requirements in exisiting law, except that those provisions (such as maintenance of effort) that will be included in the general State application under the General Education Provisions Act have been deleted.

Section 404, relating to payments for States, is identical with existing law.

Section 405 contains the provisions relating to the participation of children enrolled in private schools in these programs. The following changes from existing law have been made in this provision:

(1) The State educational agency would be required to make special arrangements to provide services under part B (instructional materials and school library resources) for children who attend private schools in the district of a local educational agency which do not receive assistance under part B.

(2) Any determination by the Commissioner to invoke the by-pass authority, where a State or local educational agency is unable or unwilling to provide adequate services for private school children, would continue in effect from year to year until the Commissioner determines that such agency will meet the requirements relating to private school children.

(3) The Commissioner would be authorized to hold in escrow the amount of funds necessary to invoke a by-pass during periods when he is negotiating or involved in other proceedings leading to a by-pass determination.

(4) The detailed provisions requiring State and local educational agencies to be offered an on the record hearing before the Commissioner invokes the by-pass would be deleted, and instead the Commissioner would be required to provide those agencies 45 days notice of his intent to invoke the by-pass and an opportunity to show cause why that action should not be taken.

Part B of title IV (sections 421-423) would be similar to the existing part B, except that activities relating to guidance counseling and testing would be removed from this part (and included in part C), and the list of materials and equipment that could be acquired would be updated to include instructional materials that parents may use in the home to assist in the education of their children and to include material for testing programs, particularly those to diagnose learning problems and to assess achievement in basic skills.

In distributing funds to local educational agencies under part B, States would be required to provide higher allocations to (1) poorer school districts making at least average tax effort and (2) districts with higher proportions of children with special needs.

Part C of the revised title IV (sections 431-434) would be similar to the existing part C except that guidance and counseling activities would be included in this part, and activities relating to strengthening State Departments of Education would be moved to a separate part D. The list of activities authorized under part C would also be updated to take into account current educational needs throughout the country.

In addition, a number of new activities and requirements would be added to part C:

(1) Since part C assistance is intended for activities relating to innovation and improvement of educational practices, grants to local educational agencies for a particular activity would be limited to five years, plus a one year planning grant, and the State would be required to gradually reduce support for any activity after the third year in order to ensure that successful practices developed with assistance under this part will gradually be made part of a school district's regular program.

(2) In fiscal year 1980 not less than 5 percent, and in subsequent fiscal years not less than 10 percent, of part C funds would be required to be used to develop and carry out comprehensive plans for improved school management and for the coordinated use in schools of all available resources. In support of such projects, the Commissioner would be authorized, in up to five schools in any one State, to modify requirements under title I (other than comparability) or title VII of this Act or of the Education

of the Handicapped Act where those requirements would impede the success of any demonstration intended to provide for the coordinated use of all resources within a school. Such waivers could be granted only under carefully controled circumstances designed to improve school management techniques.

(3) Local educational agencies would be required to take the needs of private school children into account in designing their proposals.

A new provision would be added to part C to authorize the Commissioner to make grants to State educational agencies to support activities of local educational agencies in the State to develop, demonstrate, and evaluate innovative compensatory education projects. The amount provided to a State would equal the amount provided to local educational agencies in that State in 1979 for Follow-Through projects, plus 10 percent of the State's part C allocation, except that any amounts made available for this purpose would be in addition to the regular part C allocation. Local educational agencies now receiving Follow Through funds would be held harmless in fiscal years 1980, 1981, and 1982 at 75, 50, and 25 percent, respectively, of their fiscal year 1979 Follow Through grant. Activities supported under this provision would be required to be closely coordinated with activities carried out under title I, with the goal being to improve the effectiveness of those programs as well as State operated compensatory education programs.

Part D is a new part that would be added to title IV to authorize assistance to State educational agencies to strengthen their educational leadership resources. The list of activities authorized under this part would be similar to existing law, but would include such additional items as carrying out Statewide testing programs for children in both public and private schools in the State, the coordination of public educational programs with those carried out in private nonprofit elementary and secondary schools, and monitoring the requirements of the Federal programs with respect to the participation of private school children in those programs. A State would be required under this part to indicate in its state plan the means by which it will provide technical assistance and information to private school officials to assist them in arranging for the participation of their children in Federal programs. As part of its plan for part D, a State would also be required to develop a comprehensive plan for teacher training activities in the State.

Bilingual Education

Section 106 of the Act would make the following amendments to the Bilingual Education program in title VII of the Elementary and Secondary Education Act:

(1) The designation of the target group of this program would be changed from "children of limited English-speaking ability" to "children with limited English language skills," and the definition of that group would be clarified to provide that those who have difficulty reading and writing the English language may be served as well as those who have difficulty speaking and understanding instruction in English.

(2) Section 703(a)(4) of the Act would be amended to make it clear that children whose language is English could participate in the program if that participation would contribute to achieving the purposes of the bilingual program.

(3) Section 703(a)(4) would also be amended to require that an application for a bilingual education program be developed in consultation with and be carried out with the continuing participation of, an advisory council, the majority of whom are parents of children with limited English language skills.

(4) A new section 703(a)(4)(F) would be added to require parents of children in the program to be informed of the instructional goals of the program and progress of their children.

(5) Section 721(b) of the Act would be amended to add a new provision restricting grants under this program at a particular school or group of schools to a period of not to exceed five years, and the amount made available for the third, fourth and fifth year of such projects would be required to be reduced in order to insure the gradual assumption by the applicant of successful activities developed under title VII. The Commissioner could waive this five year restriction in unusual cases where he determines it would cause exceptional hardships.

(6) Section 721(b)(3) would be amended to authorize the Commissioner to waive the requirement for 15 percent of a local educational agency's grant to be used for training activities if the needs of such a school district do not warrant expenditure for training purposes.

(7) A new provision would be added to section 721(b)(3) to require bilingual education programs to serve those children most in need, to include measurable goals for determining when those children no longer need the program, and to provide necessary follow-up services.

(8) Section 721(b)(3) of the Act would also be amended to require that bilingual education funds be used to supplement and not supplant State and local funds and that the applicant has, to the extent possible, recruited and employed persons who are bilingual to carry out projects and activities under this Act.

(9) Section 721 would also be amended to add a provision authorizing the Commissioner to by-pass a local educational agency that is unable or unwilling to provide adequate services to children in private schools, and to pay the cost of such services out of that district's grant.

(10) The authorization of appropriations for bilingual education programs would be extended through fiscal year 1983, and the provision requiring that one-third of all funds appropriated above $70 million be expended for training activities would be modified to provide that not less than 20 percent of that amount be so used.

(11) Section 731(c) of the Act, requiring annual reports on bilingual education from the Commissioner of Education, would be repealed.

(12) Section 732(a) of the Act would be amended to extend the National Advisory Council on Bilingual Education through fiscal year 1983.

(13) Section 742 of the Act, relating to research, development and evaluation activities, would be amended to include activities relating to the training of teachers for bilingual education programs, and

activities to investigate the use of cultural heritage to improve programs of bilingual education. The authorization of appropriation for these activities would be increased from $5 million to $12.5 million in fiscal year 1979 and such sums as may be necessary for the four succeeding fiscal years.

Conforming Amendments

Section 107 of the bill would repeal the authority for those programs which have been consolidated into Title IV of ESEA, as well as the Reading Improvement program and the authority for State equalization grants under section 842 of P.L. 93-380. This repeal would be effective with respect to fiscal year 1980 and subsequent years.

Title II--Impact Aid Amendments

Title II of the bill contains amendments to Public Laws 815 and 874 of the Eight-first Congress.

Section 201(a) of the bill would revise section 3 of P.L. 81-874 to accomplish the following reforms:

(1) Subsection (b) of section 3 (relating to the counting of children of persons who reside or work on Federal property) would be revised to eliminate entitlements based on children whose parents are employed on Federal property outside the county in which the school district is located. Also, that subsection would be revised to make clear that only those children of members of the uniformed services who actually reside in the household of those members, and are thus dependent on those members, would be counted.

(2) The provision relating to children of refugees who meet the requirements of the Migration and Refugee Assistance Act of 1962 would also be eliminated from subsection (b).

(3) The complex provisions in section 3(c) and (d) of the present law relating to eligibility for, and amount of, payments would be revised to eliminate the present minimum eligibility criteria and require instead that all districts absorb (i.e. not receive payments on account of) a number of Federally-connected children equal to 3 percent of their total non-Federal enrollment.

(4) The computation of the local contribution rate (LCR) would be simplified by eliminating the current "comparable district" method. Under this proposal, the local contribution rate would be 50 percent of the average per pupil expenditure in the State. The present provisions for determining the local contribution rate for local educational agencies in the territories and in States in which a substantial portion of the land is in unorganized territory would be retained.

(5) The entitlement rates provided in the present section 3(d)(1) of the Act would be retained. This provision establishes the amount of payment

as a function of the degree of Federal burden of each category of eligible children. The provision increasing entitlement based on handicapped children of parents in the armed forces or residing on Indian lands would also be retained, with an amendment to conform this provision to the new requirements set forth in the Education of the Handicapped Act.

(6) The Commissioner would be authorized to increase payments to certain highly impacted districts (i.e. 50 percent or more federally connected children) where he determines it to be necessary to enable those districts to provide a level of education equivalent to that maintained in comparable school districts.

(7) Subsection (d) of revised section 3 would retain the current provision providing for adjustments where there have been substantial decreases in Federal activities. Likewise, the current provision in section 3(f) of the Act authorizing the Commissioner to make determinations on the basis of estimates would be retained.

Subsection (b) of section 201 contains amendments to section 5 of the Act. Under these amendments the extremely complicated "tier" system in section 5(c) of the Act (relating to adjustments were necessitated by appropriations) would be replaced with a simple pro-rata reduction provision.

Subsection (c) would amend section 6(d) of the Act to except handicapped children and other children with special needs from the requirement that services under section 6 be provided either in the facilities of a local educational agency or on Federal property.

Subsection (d) of section 201 amends the definition of Federal property in section 403(1) of the Act to eliminate the reference to low-rent housing which is part of a low-rent housing project assisted by the United Sttes. Special payments for districts that have received these payments would be authorized for fiscal years 1979-81, as discussed below:

Subsection (d)(2) of section 201 is a technical amendment to the definition of the term "current expenditures" to delete the obsolete reference to titles II and III of ESEA.

Subsection (e) of section 201 would provide that these provisions would be effective with respect to appropriations for fiscal year 1979 and subsequent years. As discussed below, however, payments attributable to children residing on low-rent housing property would be continued at the fiscal year 1978 level through fiscal year 1980, and held harmless at 75 percent in the following year.

Section 202 of the bill contains two hold harmless provisions. The first of these provides that any local educational agency that was entitled to a payment under the Act for fiscal year 1978 will be paid in fiscal years 1979 through 1981 an amount not less than 75 percent of its payment for preceding fiscal year.

The second hold harmless in subsection (b) provides that in addition to any other payments a district is entitled to receive under the Act in fiscal year 1979 and 1980, it shall be paid an amount equal to that which it received in fiscal year 1978 on account of children who resided on, or with a parent employed on, low-rent housing property. In fiscal year 1981, it would be paid 75 percent of that amount. These funds would be required to be used for special programs and projects to meet the special educational needs of educationally deprived children.

Section 203 of the bill would amend the provisions of both P.L. 815 and 874 relating to payments for disasters. These amendments would--

(1) eliminate payments under these programs for so-called "pinpoint" disasters, i.e. losses that are not occasioned as a result of a major disaster but as a result of local fires, flooding, or other occurrences;

(2) extend the program through fiscal year 1983;

(3) raise the minimum amount of loss required for assistance under this program from $1,000 or one-half of one percent of the current expenditures of a school district to $7,500 or 5 percent of those expenditures;

(4) authorize advance appropriations for this program, as well as permitting unused funds to be carried over for subsequent years.

Section 204 of the Act would extend P.L. 81-815, which authorizes payments for construction of school facilities in areas affected by Federal activities, through fiscal year 1983. The following additional changes are proposed for P.L. 81-815:

(1) The Commissioner would be permitted to use recent construction cost figures (rather than those for the second year of the four year increase period) in determining the amount of entitlements under P.L. 81-815.

(2) A number of substantive provisions now set forth in the definitions section would be placed in more appropriate sections of the Act. (This change has no substantive effect.)

(3) References to children residing in low-cost housing would be deleted.

(4) The Commissioner would be permitted to project increases in numbers of federally-connected children for purposes of entitlements under the Act.

(5) The Commissioner would be authorized to use section 10 funds to upgrade facilities constructed under that authority to facilitate their transfer to local authorities.

Title III

Title III of the bill contains amendments to a number of additional educational programs.

Adult Education

Section 301 contains amendments to the Adult Education Act.

Subsection (a) would revise the statement of purpose for that Act to include the purpose of enabling all adults to acquire basic skills necessary to function in society.

Subsection (b) conforms the definition of the term "adult education" to reflect the above modification to the purpose of the program.

Subsection (c) modifies section 304 of the Act to make it clear that adult education programs may be carried out by profit making organizations. This change is necessary to effectuate the proposal, discussed below, to expand delivery systems for adult education programs to include a broader range of agencies and organizations in the community, including businesses, labor unions, and other community organizations.

Subsection (d) adds the Northern Mariana Islands as an eligible jurisdiction under the program.

Subsection (e) amends section 306 of the Act, relating to State plans, to conform to the general State application provision that would be added to the General Education Provisions Act. In order to reduce the paperwork burden, the frequency of State plan submissions would be changed from one a year to once every three years. The only modifications to the existing planning requirements would be--

(1) a requirement that the State identify the needs of its population for services under this Act, the resources available to meet those needs, and the goals the State will seek to achieve under the program;

(2) describe how the State will expand the delivery of adult education services through the use of agencies, institutions, and organizations other than the public schools;

(3) a requirement that the plan describe the means by which such non-educational agencies, institutions, and organizations have been involved in planning for the adult education program in the State;

(4) a requirement that the plan describe the efforts undertaken by the State to eliminate barriers to participation in adult education caused by inflexible schedules, inconvenient locations, inadequate transportation, and child care needs; and

(5) a requirement that the plan describe the criteria by which the State will evaluate applications from local agencies.

Subsection (f) would amend the payments section to eliminate the requirements for maintenance of effort determinations, since that provision will be included in the general State application under the General Education Provisions Act.

Subsection (g) would eliminate the provision now in section 308 that gives the Commissioner authority to withhold payments to States which are not in compliance with program requirements and provides for judicial review of any such action. New comprehensive enforcement and judicial review provisions will be contained in the General Education Provisions Act.

A new section 308 would be added that would authorize the Secretary, through grants and contracts with State and local educational agencies and other agencies, institutions, and organizations to carry out research, development, dissemination, evaluation, and Statewide planning activities relating to adult education. A separate authorization of appropriations would be provided for this authority.

Subsection (h) would extend the authorization of appropriations for special projects for the elderly under section 310 of the Act through fiscal year 1983.

Subsection (i) extends the Adult Education Act through 1983 and eliminates certain obsolete language in section 313 of the Act.

Interim Amendments to the Special Projects Act

Section 302 of the bill contains an amendment to the Special Projects Act, effective for fiscal year 1979 only, which would delete the requirement in that Act that 50 percent of the funds appropriated under that authority be spent on particular programs in a specific proportion to each other. These programs would be continued under the Special Projects Act through fiscal year 1979; thereafter, the new authority described above in title III of the Elementary and Secondary Education Act would provide authorization for the support of programs now funded under the Special Projects Act.

Section 303 of the Act extends the Environmental Education Act and the Alcohol and Drug Abuse Education Act through fiscal year 1979. Thereafter, those programs would be authorized under the revised Special Projects Act under title III of the Elementary and Secondary Education Act.

Women's Educational Equity

Section 305 of the bill would reenact section 408 of the Education Amendments of 1974 (also known as the Women's Educational Equity Act of 1974) as a separate authority. The following changes would be made in the program:

(1) Funds available for this program would be available for demonstration projects to provide educational equity for women, through activities that would be of national, statewide, or regional

significance. These activities would include those now set forth in section 408(d)(1)(A) of the Act. In addition, funds could be used to provide assistance for State and local educational agencies and other eligible entities to implement women's educational equity programs, including activities to achieve compliance with title IX of the Education Amendments of 1972.

(2) The small grant authority in subsection (e) of the existing Act would be increased from a maximum of $15,000 to $25,000.

(3) The Commissioner would be given clear authority to establish criteria and priorities for awards under this section to ensure that available funds are used most effectively to achieve the purposes of the Act.

(4) The functions of the Advisory Council on Women's Educational Programs would be expanded to include advising the Secretary on matters relating to equal educational opportunities for women. This expansion is intended to make it clear that the Council has the authority to advise the Secretary on matters relating to the enforcement of title IX of the Education Amendments of 1972.

Title IV--Amendments to the Emergency School Aid Act

Section 401 of the bill would amend section 704 of the Emergency School Aid Act to authorize the appropriation of $155 million for fiscal year 1980 and the three succeeding fiscal years for the State apportionment under ESAA. In addition, this section would authorize the appropriation of such sums as may be necessary for the fiscal year 1980 and the three succeeding fiscal years for special programs and projects under section 708 and for evaluations. Twenty million dollars of that amount would be set aside for support of magnet school projects, pairing of schools with institutions of higher education and businesses, and planning for neutral school sites.

The numerous reservations of funds for particular projects, other than those described above, which are now contained in section 704 of the Act would be eliminated.

The provision now in section 704 that would restrict the amount of funds which the Assistant Secretary could use to provide compensatory services for children who lose those services due to the implementation of a desegregation plan would be deleted. Instead, as discussed below, the section of the Act relating to authorized activities would be modified to make it clear that this is a permissible purpose for the use of funds under all parts of the Act, and that districts must consider this need in developing their applications.

Section 402 of the bill would amend section 705 of the Act to eliminate the requirement that 15 percent of the funds apportioned to a State be used for so-called pilot projects, to overcome the adverse affects of minority group isolation in school districts with high numbers or percentages of those children. These funds would instead be made available to the Assistant Secretary for special projects under section 708(a).

The reservation of funds for projects by nonprofit organizations would be increased from 8 to 11 percent of the State apportionment amount. This increased percentage will provide approximately the same amount of funds for this purpose ($17 million) as has been made available in the past.

Section 705 would also be amended to give the Assistant Secretary more flexibility in the use of funds which are subject to reapportionment. Instead of requiring that those funds be reapportioned ratably among the other States, the revised section 705(b) will permit those funds to be used wherever the Assistant Secretary determines they would best achieve the purposes of this title.

Section 403 of the bill would amend section 706 of the Act (relating to eligibility) to--

(1) eliminate the reference to so-called integrated school projects, the authority for which has not been used;

(2) repeal the provision describing so-called pilot programs or projects, which are essentially for compensatory education in districts with high concentrations of minority students. This provision would be eliminated in order to emphasize that the purpose of this Act is to assist in the desegregation process, and not to provide compensatory education funds.

Section 404 of the bill would amend section 707 of the Act, relating to authorized activities, to provide a more simple and generic description of the types of activities that are authorized. In general, programs and projects authorized under the Act would be those designed to meet the educational needs that arise from the implementation of a qualifying plan. The authorized activities on the existing exclusive list would be made examples of the types of activities that could be supported under the Act.

Section 405 of the bill would revise section 708 of the Act which authorizes grants and contracts for special programs and projects. The new provision would contain the existing authority to make grants and contracts to State and local educational agencies and other public agencies and organizations but would expand the eligible entities to include nonprofit private agencies and organizations. As with existing grants to nonprofit organizations under the State apportionment part of the Act, grants to such private nonprofit agencies which are intended to assist in the development rather than implementation of a desegregation plan for a local educational agency would by regulation be limited to those nonprofit private agencies which are working in cooperation with such an agency.

The list of authorized activities under section 708 would include support for magnet school projects, projects involving the pairing of schools and programs with institutions of higher education and with businesses, and projects for the development of plans for neutral site schools. The exisiting authority to support activities to meet the needs of minority group children with limited English language skills would also be included under section 708(a). While the reservation of funds for children's television programs under section 711 of the Act would be eliminated, that authority would be retained and the bill would make clear that those activities could be supported under the special projects authority.

A new program would be established under section 708(c) that would permit the Assistant Secretary to carry out a program of making grants to State educational agencies to pay a portion of the costs of State programs which are designed to promote voluntary desegregation to achieve the purposes of this title. Under this program two Federal dollars would be provided to a State for every State dollar expended under a State program designed to encourage desegregation and the elimination or reduction of minority group isolation in the local educational agencies in the State through the provision of planning, training, and other technical assistance to those agencies. State applications under this authority would be required to be developed in consultation with teachers, educators, parents, and representatives of the general public, including proportionate representation of minority groups.

Section 406 of the bill would amend the existing section 710 of the Act relating to applications. The principal change in this section would be to permit districts to submit applications covering a period of up to five years. The existing requirements relating to public participation in the development of the application would be retained.

The list of requirements for an application in subsection (a) of section 710 would be revised to take into account the other amendments that are being proposed as well as to eliminate a number of redundant and confusing requirements relating to the supplementary nature of the program and the fiscal effort of the applicant. (The exisiting provisions that would be eliminated are paragraphs 6, 8, and 11 of subsection (a).)

The standard "supplement, not supplant" provision in paragraph 10 (new paragraph 7) and maintenance of effort provision in the existing paragraph 13 (new paragraph 9) would be retained.

The funding criteria established in section 710(c) would be revised to require that in establishing criteria for funding applications under the Act, the Assistant Secretary shall take into account (1) the need for assistance, (2) the amount of decrease in minority group isolation that has resulted or would result from the implementation of the plan, (3) how recently the plan has been implemented, (4) the degree to which the program or project promises to achieve the purposes of the Act, and (5) the degree to which the qualifying plan of the applicant involves the total educational resources of the community.

Subsection (d) of section 710 is a new paragraph that would permit the Assistant Secretary to approve grants under this title for a period not to exceed five years. The length of time for which an application could be approved would depend on the severity of the problems addressed, the nature of the activities proposed to be carried out, the likely duration of the problems addressed by the application, and other criteria that the Assistant Secretary determines will most effectively serve to achieve the purposes of the Act. If the Assistant Secretary approves an application for more than one year, no subsequent application would be required from that agency for subsequent years, unless the applicant proposes a change in the activities covered by the application. However, payments for those subsequent years would be dependent on the availability of sufficient appropriations, a determination that the applicant is not ineligible because of civil rights violations under section 706(d) of the Act, and that the agency has demonstrated that it is making satisfactory progress toward achieving the objectives of its program or project.

Section 407 of the bill contains a number of miscellaneous and conforming amendments to the Act:

(1) The reference to the reservation of funds under the educational television program in section 711 would be eliminated, since that set aside would no longer be required.

(2) The references to funds set aside for bilingual programs under existing section 708(c) would be deleted from the payments provision in section 712 of the Act.

(3) Section 713 of the Act would be amended to indicate that the reservation of funds for evaluations will be provided out of the amount appropriated under section 704(b) for special projects under section 708.

(4) The requirement for periodic reports to be submitted by the Assistant Secretary under section 714 of the Act would be repealed. (This provision is unnecessary since periodic reports on this as well as other education programs are already required under the General Education Provisions Act.)

(5) The list of definitions in section 720 of the Act would be revised to reflect the changes described above.

Title V--General Provisions

Miscellaneous GEPA Amendments

Section 501 of the bill contains a number of miscellaneous amendments to the General Education Provisions Act (GEPA):

Subsection (a) extends the authorization of appropropriations for the National Center for Educational Statistics through fiscal year 1983.

Subsection (b) contains a number of technical amendments to GEPA relating to the authority of the administrative heads of education agencies:

(1) the general authority to carry out functions vested by law in an administrative head of an education agency would be expanded to include functions vested by delegation of authority pursuant to law;

(2) the authority to issue regulations would be clarified to include programmatic regulations, rather than only regulations governing the manner of operation of the agency; and

(3) the definition of the term "administrative head of an education agency" would be made applicable to all of GEPA rather than just section 208, since the term is used throughout GEPA.

Subsection (c) amends section 412 of GEPA, relating to the authority for States and localities to carry over unused funds into the succeeding fiscal year--

(1) to make the authority permanent, and

(2) to make clear that when funds are carried over, they must be used in accordance with legal requirements applicable in the years in which the funds are used.

Subsection (d) would repeal the complex maintenance of effort waiver provision in section 431A. This would be replaced by a generally applicable maintenance of effort provision, along with a simplified waiver provision, in the new part of GEPA, discussed below, establishing a single State application procedure.

Regulations

Section 502 contains of amendments to section 431 of GEPA, relating to the issuance of regulations governing applicable programs.

Subsection (a) conforms the procedure for promulgating education regulations with that contained in the Administrative Procedure Act, 5 U.S.C. 553. The term "regulation" would be defined consistent with that for rules issued under the APA.

Subsection (b) is a new provision which makes clear that any issuances which are not intended to establish binding requirements need not be promulgated in accordance with APA procedures. Existing law, by requiring virtually all issuances relating to applicable programs to be so promulgated, has hindered the Office of Education from providing uniform guidance to grantees and applicants in a timely fashion.

Subsection (c) would repeal those provisions in section 431 which authorize the Congress to review and disapprove regulations relating to education programs and which authorize the Congress to review the schedule for promulgating those regulations. The Administration is of the view that those provisions are unconstitutional. Moreover, the provision requiring these regulations to be before the Congress for 45 legislative days (which can be almost 90 calendar days) before they can become effective seriously impedes the ability of the Department to implement necessary regulations for education programs in a timely fashion.

State and Local Administration

Section 503 of the bill establishes a new subpart 3 of part C of GEPA to set forth clarified and simplified provisions relating to administration of certain programs by State and local agencies.

Proposed new section 434 provides clear authority for State agencies and boards that are responsible for administering State operated Federal programs, to monitor and enforce the requirements of Federal law.

Subsection (a) authorizes the Commissioner to require States to submit their plans for monitoring compliance by local agencies, including their arrangements for site visits, audits, and investigation and resolution of complaints.

Subsection (b) establishes procedural mechanisms for use by States in their enforcement of legal requirements, including authority to withhold approval of local applications and to withhold or suspend payments to local agencies.

Section 435 would establish a single State application procedure to cover the participation by States in titles I and IV of ESEA, the Adult Education, and part B of the Education of the Handicapped Act, part A of the

Vocational Education Act, and the Library Services and Construction Act. (The Commissioner could designate additional State operated programs to be covered by this application.) Under this procedure, those assurances and requirements that are generally common to all State operated programs would be contained in a single application, filed by the State one time, and updated only as required by changes in Federal or State law.

The matters that would be covered by this application include assurances that--

(1) the program will be administered in accordance with legal requirements;

(2) control of funds will be in an entity so authorized under the statute;

(3) proper methods of administration will be used, including the enforcement of legal requirements on local agencies;

(4) required evaluations will be conducted;

(5) proper fiscal control procedures will be used;

(6) reports will be made and records maintained as may be required by the Commissioner;

(7) fiscal effort will be maintained,

(8) opportunities will be provided for interested agencies, organizations and individuals to be involved in planning for and carrying out the programs covered by the application.

Subsection (d) contains a simplified waiver provision for the maintenance of effort requirement that permits effort to be measured on either an aggregate or average per pupil expenditure basis, and that permits waiver of the requirement in the case of unusual circumstances.

Section 436 sets forth procedures for a single local educational agency application. This application follows the general format of the single State application discussed above, and would require local educational agencies to submit to the appropriate State agency or board a one-time application that would contain all the generalizable assurances relating to their participation in Federal programs that are administered by the States.

These two general application provisions, along with the three year program plan arrangements that are proposed for each of the covered programs, should greatly reduce the paperwork associated with participation in Federal education programs.

(Necessary conforming amendments relating to these simplified application procedures for the programs that are not being extended by this bill--Vocational Education, part B of the Education of the Handicapped Act, and the Library Services and Construction Act--will be developed and proposed to the Congress as soon as possible.)

Subsection (b) of section 503 of the bill establishes a new subpart 4 of part C of GEPA to include the existing provisions in sections 437 through 440 relating to the maintenance of records by recipients, the Family Educational Rights and Privacy Act, and other matters.

Federal Enforcement

Section 504 of the bill establishes a new part E of GEPA which consolidates most of the provisions relating to enforcement and judicial review in existing State operated programs, and which establishes a comprehensive system for enforcement by the Commissioner of the requirements relating to education programs.

Proposed section 451 would establish an Education Appeal Board, which would build upon the existing title I Audit Hearing Board, but which would be expanded to provide a due process hearing procedure for adverse actions taken against recipients by the Office of Education under most major Federal education programs. (Student assistance programs covered by the susupension, limitation, and termination regulations under section 497A of the Higher Education Act of 1963 would not be affected by these new provisions.)

The proceedings over which the board would have jurisdiction include--

(1) audit determinations against State or local educational agencies under certain State operated programs (section 452);

(2) withholding proceedings against recipients (other than under student assistance programs) (section 453);

(3) cease and desist orders (section 454).

Section 452 establishes procedures for recovery of audit exceptions. The provisions of this section provide explicit authority for the recovery of misspent funds. While that authority is implicit in the Commissioner's responsibility to account for Federal funds, this provision would lay to rest any arguments that the Commissioner has no such authority. This provision would also permit the Commissioner to compromise any claims established under this procedure if he determines that the practice that resulted in a misexpenditure has been corrected.

Section 453 sets forth the Commissioner's authority to withhold Federal funds when he finds that there has been a failure to comply with the requirements of law. This provision is now contained in section 434(c) of GEPA. The new provision would give the Education Appeal Board the authority to preside over these proceedings.

Section 454 provides new authority for the Commissioner, subject to the review of the Education Appeal Board, to issue cease and desist orders where he finds that an agency is engaging in a practice under an applicable program that is not authorized by law. Such a proceeding would permit a dispute readily to be litigated before the Board and an appropriate order to be issued to correct any offending practice. The order could be enforced either by withholding any portion of the amount payable to a recipient, or by the facts being certified to the Attorney General who could bring an appropriate proceeding for enforcement of the order.

Proposed section 455 contains provisions relating to judicial review of actions by the Education Appeal Board. These judicial review provisions are similar to those now contained in the individual program statutes.

[Text of H.R. 11282 follows:]

95th CONGRESS
2d Session

H. R. 11282

IN THE HOUSE OF REPRESENTATIVES

March 3, 1978

Mr. Perkins (for himself, Mr. Thompson, Mr. Brademas, Mr. Hawkins, Mr. Ford of Michigan, Mr. Phillip Burton, Mr. Gaydos, Mr. Clay, Mr. Biaggi, Mr. Andrews of North Carolina, Mr. Blouin, Mr. Simon, Mr. Beard of Rhode Island, Mr. Zeferetti, Mr. Miller of California, Mr. Michael O. Myers, Mr. Murphy of Pennsylvania, Mr. Weiss, Mr. Heftel, Mr. Corrada, Mr. Kildee, and Mrs. Chisholm) introduced the folllowing bill; which was referred to the Committee on Education and Labor

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A BILL

To extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist State and local educational agencies to enhance the quality of their education programs, to improve the administration of Federal elementary and secondary education programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1978".

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

AMENDMENTS TO TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—EDUCATIONALLY DEPRIVED CHILDREN

Duration of Assistance

SEC. 101. (a) (1) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1983".

(2) Section 125 of that Act is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1983".

Inclusion of the Commonwealth of the Northern Marianas

(b) The second sentence of section 103 (a) (1), section 103 (a) (4), and section 124 of that Act are each amended by inserting "the Northern Mariana Islands" immediately after "the Virgin Islands" each place it occurs therein.

Use of Most Recent Census Data

(c) Paragraphs (A) and (B) of section 103 (c) (2) of that Act are each amended by striking out "1970 decennial census" and inserting in lieu thereof "most recently completed decennial or mid-decade census".

Payments to Puerto Rico

(d) Section 103 (a) (3) (C) of that Act is amended to read as follows:

"(C) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

"(i) the percentage determined under the preceding sentence, and

"(ii) 32 per centum of the average per pupil expenditure in the United States.".

Programs for Handicapped Children

(e) (1) Section 121 (a) of that Act is amended by striking out "(including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education)" and by inserting in lieu thereof "(as that term is defined in section 602 (1) of the Education of the Handicapped Act)".

(2) Section 121 (c) of that Act is amended to read as follows:

"(c) A State agency, and any agency or institution receiving funds under this section through a State agency, shall use the payments made under this section only for special education and related services designed to meet the special educational needs of such children. The State agency shall insure that each child in average daily attendance counted under subsection (b) will be provided with such services, commensurate with his or her special needs, during any fiscal year for which those payments are made. Programs for handicapped children assisted under this section after September 30, 1979, in accordance with regulations prescribed by the Commissioner, shall be operated in a manner consistent with the requirements relating to programs for handicapped children assisted under part B of the Education of the Handicapped Act.".

(f) Part B of that Act is amended to read as follows:

"PART B—SPECIAL INCENTIVE GRANTS

"ELIGIBILITY

"SEC. 126. (a) Each local educational agency that is eligible to receive a grant under this title for any fiscal year shall be entitled to an additional grant under this part for that fiscal year if it is located in a State that has in effect for that fiscal year a State program meeting the requirements of subsection (b) under which financial assistance is provided to meet the special education needs of educationally deprived children living in areas with high concentrations of children from low-income families.

"(b) A State program meets the requirements of this subsection if, under State law—

"(1) funds are provided under the program to local educational agencies for special programs to meet the special educational needs of educationally deprived children;

"(2) funds provided to local educational agencies under the program are in addition to the amount of funds provided to those agencies under the basic program of State aid for free public elementary and secondary education in the State;

"(3) the use of those funds is subject to the same requirements as those applicable under paragraph (3) of section 141 (a) and paragraph (2) of section 141 (c) to the use of funds provided to local educational agencies under part A of this title; and

"(4) local educational agencies receiving those funds are accountable to the State educational agency for the use thereof and for compliance with the requirements referred to in paragraph (3).

"AMOUNT OF GRANTS

"SEC. 127. (a) Except as provided in subsection (c), the aggregate amount to which the local educational agencies in a State are entitled under this part for any fiscal year shall be 50 per centum of the amount of State funds expended, in the most recent fiscal year for which data are available, under a State program meeting the requirements of section 126(b) in school attendance areas having high concentrations of children from low-income families.

"(b) The amount of the additional grant for each local educational agency in a State under this part for any fiscal year shall bear the same ratio to the amount allocated to that State under section 128 as the amount allocated to that local educational agency under part A of this title for that fiscal year bears to the aggregate amount allocated to all local educational agencies in the State under subpart 1 of part A for that fiscal year.

"(c) The aggregate amount that the local educational agencies in a State shall be eligible to receive under this part for any fiscal year shall not exceed—

"(A) 5 per centum in fiscal year 1980,

"(B) 6 per centum in fiscal year 1981,

"(C) 7 per centum in fiscal year 1982,

"(D) 8 per centum in fiscal year 1983,

of the aggregate amount which all local educational agencies

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in that State are eligible to receive under section 103 of this title for that fiscal year.

"(d) Each State which desires to receive payments under this part shall develop a system for determining the data required by subsection (a) of this section relating to the amount of State funds expended under the State program referred to in that subsection. The State shall submit to the Commissioner such information as the Commissioner may request concerning that system.

"PAYMENTS; USE OF FUNDS

"SEC. 128. Except as provided in subsection (b), the Commissioner shall pay to each State for each fiscal year an amount which bears the same ratio to the amount made available under section 129 for that fiscal year as the aggregate amount to which the local educational agencies in that State are entitled for that fiscal year bears to the total amount to which all local educational agencies are so entitled.

"(b) The amount paid to each State under this part for any fiscal year shall not be less than the amount paid to that State under this part in the preceding fiscal year, and the total of any increases required under this subsection shall be derived by proportionately reducing the amount paid to States which were not entitled to a payment under this part in the preceding fiscal year, except that the amount paid to a State under this part for any fiscal year shall not exceed the maximum amount to which that State is entitled for that fiscal year under section 127 (a).

"(c) The total amount to which the local educational agencies in a State are entitled under this part for any fiscal year shall be added to the amount paid to that State under section 143 for that year. From the amount paid to it under this section, the State shall distribute to each local educational agency of the State the amount of its additional grant as determined under section 127 (b).

"(d) The amount paid to a local educational agency under this part shall be used by that agency for activities undertaken pursuant to its application submitted under section 141 (a) and shall be subject to the other requirements in section 141.

"APPROPRIATIONS

"SEC. 129. (a) There are authorized to be appropriated for the purposes of this part such sums as may be necessary for fiscal year 1980 and for the three succeeding fiscal years.

"(b) The amount appropriated for the purposes of this part for fiscal years 1980, 1981, 1982, and 1983 shall not be less than (1) 20, 30, 40, and 40 per centum, respectively, of the amount by which the appropriation for part A for that fiscal year exceeds the appropriation for part A for the preceding year, plus (2) the minimum amount required under this subsection to be appropriated for this part for the preceding fiscal year.".

Special Grants

(g) Title I of the Elementary and Secondary Education Act of 1965 is amended by inserting immediately after part B thereof the following new part:

"PART C—SPECIAL GRANTS FOR LOCAL EDUCATIONAL AGENCIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES

"PURPOSE

"SEC. 130. It is the purpose of this part to provide additional assistance to local educational agencies with especially high concentrations of children from low-income families to enable those agencies to provide more effective programs of instruction, especially in the basic skills of reading, writing, and mathematics, to meet the special educational needs of educationally deprived children.

"ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS

"SEC. 131. (a) Each local educational agency, in a State other that Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this title for any fiscal year shall be entitled to an additional grant under this part for that fiscal year if—

"(1) the number of children counted under section

103 (c) of this title for that agency for the preceding fiscal year exceeds five thousand, or

"(2) the number of those children exceeds 20 per centum of the total number of children aged five to seventeen, inclusive, in the school district of that agency in that fiscal year.

"(b) For each local educational agency that is eligible to receive an additional grant under this part for any fiscal year the Commissioner shall determine the product of—

"(1) the number of children in excess of five thousand counted under section 103 (c) for the preceding fiscal year or the number of children counted under that setcion in excess of 20 per centum of the total number of children aged five to seventeen, inclusive, in the school district of that agency for that preceding fiscal year, whichever is greater, and

"(2) the average per pupil expenditure determined for that agency under the second sentence of section 103 (a) (2) of this title for the fiscal year which the determination is being made.

"(c) The amount of the additional grant to which an eligible local educational agency is entitled under this part for any fiscal year shall be an amount which bears the same ratio to the amount appropriated under section 133 for that fiscal year as the product determined under subsection (b) for that agency for that fiscal year bears to the sum of those products for all local educational agencies in the United States for that fiscal year.

"(d) For the purposes of this section, the Commissioner shall determine the number of children counted under section 103(c) for any local educational agency, and the total number of children aged five to seventeen, inclusive, in a school district of a local educational agency, on the basis of the most recent satisfactory data available at the time the entitlement of that agency is determined under section 103. If satisfactory data are not available to the Commissioner for determining the number of children counted under section 103(c) in a school district, the Commissioner may determine the number of such children on the basis of data furnished to him by the State educational agency with respect to the allocation within each county in the State of the aggregate amount determined for that county for the purposes of the third sentence of section 103(a)(2).

"PAYMENTS; USE OF FUNDS

"SEC. 132. (a) The total amount to which the local educational agencies in a State are entitled under this part for any fiscal year shall be added to the amount paid to that State under section 143 for that year. From the amount paid to it under this section, the State shall distribute to each local educational agency of the State the amount (if any) to which it is entitled under this part.

"(b) The amount paid to a local educational agency under this part shall be used by that agency for activities undertaken pursuant to its application submitted under section 141 (a) and shall be subject to the other requirements in section 141.

"APPROPRIATIONS

"SEC. 133. There are authorized to be appropriated for the purposes of this part $400,000,000 for fiscal year 1979, and such sums as may be necessary for the four succeeding fiscal years.".

Applications by Local Educational Agencies

(h) Section 141 of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"APPLICATION; USE OF FUNDS

"Local Program Applications

"SEC. 141. (a) A local educational agency may receive a grant under this title for any fiscal year if it has on file with the appropriate State educational agency a current application, approved by the State educational agency, describing the programs and projects to be conducted with assistance provided under this title for a period of not to exceed three fiscal years, including the fiscal year for which the grant is to be made. Such an application may be amended at any time to describe changes in or additions to the activities originally set forth in the application. An application or amendment thereto shall be approved by the State educational agency upon its determination (consistent with basic criteria established by the Commissioner by regulation)—

"(1) that payments under this title will be used for the excess cost of programs and projects—

"(A) which are designed to meet the special educational needs for educationally deprived children in school attendance areas having high concentrations of children from low-income families, and

"(B) which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting those needs;

"(2) that the requirements of section 141A (relating to the participation of children enrolled in private schools) will be met;

"(3) (A) that effective procedures will be adopted for evaluating at least every three years the effectiveness of the programs in meeting the special educational needs of educationally deprived children,

"(B) that those evaluations will include, during each three-year period, the collection and analysis of data relating to the degree to which programs assisted under this title have achieved their goals, and will also include objective measurements of educational achievement in basic skills over at least a twelve-month period in order to determine whether regular school year programs have sustained effects over the summer, and

"(C) that the evaluations will address the purposes of the programs and that the results of those evaluations will be utilized in planning for and improving projects and activities carried out under this title in subsequent years;

"(4) that teachers in schools participating in programs assisted under this title have been involved in planning for those programs and will be involved in the evaluation thereof;

"(5) in the case of projects involving the use of education aides, the local educational agency has set forth plans providing for coordinated programs of training in which education aides and the professional staff whom they are assisting will participate together;

"(6) that parents of children participating in programs assisted under this title will be informed of the instructional goals of the program and the progress of their children in that program, and that those parents will be afforded opportunities to assist their children in achieving those goals through means such as the distribution of instructional materials for use in the home;

"(7) that the local educational agency shall establish an advisory council for the entire school district and shall establish an advisory council for each school of such agency served by a program or project assisted under section 143 (a) (2), each of which advisory councils—

"(A) has as a majority of its members parents of the children eligible to be served,

"(B) is composed of members selected by the parents in each school attendance area,

"(C) has been given responsibility by such agency for advising it in the planning for, the implementation and evaluation of, and the distribution to parents of information concerning, such programs and projects, and

"(D) is provided by such agency, in accordance with regulations of the Commissioner, with access to appropriate information concerning such programs and projects; and

"(8) that in developing programs to be assisted under this title, the local educational agency will give due consideration to the inclusion of components designed to sustain the achievements of children beyond the school year in which the program is conducted, through such means as summer programs and intermediate and secondary level programs.

"Individual Educational Plans

"(b) It is the intent of the Congress to encourage, where feasible, the development for each educationally deprived child participating in a program under this title of an individualized written educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, a parent or guardian of the child, and when appropriate, the child.

"Supplementary Use of Funds; Comparability of Services

"(c) (1) A local educational agency may use funds provided under this title (A) only to supplement the level of funds that would, in the absence of funds provided under this title, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this title, and (B) in no event to supplant those funds that would be available from non-Federal sources.

"(2) A local educational agency may receive funds under this title only if State and local funds are used in the district of that agency to provide in project areas services which, taken as a whole, are at least comparable to services being provided in areas in that district which are not participating in programs under subpart 1 of part A or part

B or C of this title. For the purpose of this paragraph, the term 'State and local funds' shall not include expenditures—

"(A) for any State or local compensatory education program for educationally deprived children, or

"(B) for any bilingual education program or program of special education for handicapped children or children with specific learning difficulties,

"(3) Each local educational agency receiving funds under subpart 1 of part A or part B or C of this title shall report annually to the State educational agency with respect to its compliance with paragraph (2) of this subsection. That report shall be submitted at such times and in such form as the Commissioner may prescribe.

"Additional Allowable Uses of Funds

"(d) Programs and projects carried out under this title may include, in addition to activities described in paragraph (1) of subsection (a)—

"(1) training of administrators, teachers, and teacher aides in schools at which projects under this title are carried out, in order to improve the ability of those individuals to provide special educational services to educationally deprived children;

"(2) the repair, renovation, or construction of school facilities where necessary to carry out an approved project or activity under this title;

"(3) the development of plans to carry out projects to be assisted under this title, except that the amount used for such planning activities by a local educational agency in any fiscal year shall not exceed 1 per centum of the amount to which that agency is entitled for that year under section 103;

"(4) the carrying out of joint programs and projects under this title through an agreement between two or more local educational agencies;

"(5) payments to teachers of amounts in excess of regular salary schedules for special services and extra time provided by those teachers to carry out programs or projects assisted under this title; and

"(6) training to enable members of parent advisory councils established under subsection (a)(7) to carry out their responsibilities.

"Eligible Attendance Areas

"(e)(1) The Commissioner shall by regulation establish criteria for the designation by local educational agencies of school attendance areas with high concentrations of children from low-income families for purposes of eligibility to participate in programs under this title.

"(2) The criteria established under this subsection shall also provide that if for any fiscal year—

"(A) the aggregate amount of payments to a local educational agency under this title and under a State program meeting the requirements of section 126(b) for that fiscal year equals or exceeds 80 per centum of the maximum amount for which that agency is eligible under section 103 for that fiscal year, and

"(B) the aggregate amount expended under this title and under such a State program in that fiscal year in all the school attendance areas of that agency in which projects assisted under this title were carried out in the preceding fiscal year equals or exceeds the amount expended from those sources in those areas in that preceding fiscal year;

that agency may, if it so chooses, designate, as eligible to participate in programs under this title, any school attendance area of that agency in which at least 20 per centum of the children aged five to seventeen, inclusive, are from low-income families.

"(3) A local educational agency may designate as eligible to participate in programs under this title—

"(A) any school of that agency in which the proportion of children from low-income families actually enrolled is substantially the same as the proportion of those children that is required for an attendance area to be so designated, and

"(B) any school or school attendance area which is not eligible to be so designated if such school or area was eligible in either of the two preceding fiscal years.

"(4) For the purposes of this subsection, the number of children from low-income families in a school or school attendance area shall be determined in accordance with criteria prescribed by the Commissioner.

"Treatment of State Compensatory Programs

"(f) If the amount expended by a local educational agency for any fiscal year in school attendance areas eligible to participate in programs under this title, from the amount paid to it under this title and under a State program meeting the requirements of section 126(b), equals or exceeds the maximum amount that agency is eligible to receive under section 103 for that fiscal year, the provisions of section 141(c)(1) shall not prohibit the use of any funds provided under such a State program in that fiscal year to meet the special educational needs of educationally deprived children in school attendance areas that are not eligible to participate in programs under this title.

"Waiver of Requirements for Certain Jurisdictions

"(g)(1) If the Commissioner determines that compliance with any of the requirements of this section by Puerto

Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands is impractical or inappropriate because of conditions or circumstances particular to any of those jurisdictions, he may waive any of those requirements upon the request of the State educational agency for that jurisdiction. At least thirty days prior to approving any such request for a waiver, the Commissioner shall publish in the Federal Register a notice of his intent to grant such a waiver and the terms and conditions upon which such a waiver will be granted.

"(2) Any waiver of requirements under this subsection shall be subject to such terms and conditions as the Commissioner deems necessary to carry out the purposes of this title, including the submission by the jurisdiction concerned of a plan for the management of the funds provided under this title in order to insure that those funds are used in a manner designed to achieve the purposes of this title.

"(3) A waiver of requirements under this subsection may apply to programs operated under this title prior to October 1, 1978, if the Commissioner determines that the jurisdiction concerned has attempted, to the extent possible, to comply with those requirements and that any failure so to comply was caused by conditions or circumstances particular to that jurisdiction.".

Schoolwide Projects

(i) Title I of that Act is further amended by inserting immediately following section 141A the following new section:

"SCHOOLWIDE PROJECTS

"SEC. 141B. (a) In the case of any school serving an attendance area that is eligible to receive services under this title and in which not less than 80 per centum of the children are from low-income families (in accordance with criteria established by the Commissioner), the local educational agency may carry out a project under this title to upgrade the entire educational program in that school if the requirements of subsection (b) are met.

"(b) A school may be designated for a schoolwide project under subsection (a) if—

"(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency providing for—

"(A) a comprehensive assessment of the educational needs of all students in the school, in particular the special needs of educationally deprived children,

"(B) an instructional program designed to meet the special needs of all students in the school;

"(2) the plan has been developed with the involvement of those individuals who will be engaged in carrying out the plan, including parents, teachers, teacher aides, administrators, and secondary students if the plan relates to a secondary school;

"(3) the plan provides for consultation among those individuals as to the educational progress of all students;

"(4) the plan has been approved by the advisory council for that school established under section 141 (a) (7);

"(5) appropriate training is provided to teachers and teachers aides to enable them effectively to carry out the plan;

"(6) the plan includes procedures involving the participation of the individuals listed in paragraph (2), and opportunities for periodic improvements in the plan based on the results of those evaluations; and

"(7) the average per pupil amount of Federal and State compensatory education funds available to carry out the plan is at least 32 per centum of the average per pupil expenditure in that local educational agency.

"(c) The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b). For any school which has such a plan approved, the local educational agency—

"(1) shall, in order to carry out the plan, be relieved of any requirements under this title with respect to the commingling funds provided under this title with funds available for regular programs,

"(2) shall not be required to identify particular children as being eligible to participate in programs assisted under this title; and

"(3) shall not be required to demonstrate that services provided with funds under this title are supplementary to be services regularly provided in the school.".

Services to Children in Private Schools

(j) (1) Section 141A (a) of that Act is amended to read as follows:

"(a) To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, that agency shall make provision for including in projects assisted under this title special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) which meet the requirements of paragraph (1) of section 141 (a) and which provide to those children an opportunity to participate in programs and projects assisted under this title on a basis equitable to that provided to similarly deprived children enrolled in public schools. Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of those children) to expenditures for children enrolled in the public schools of the local educational agency.".

(2) Section 141A (b) (3) of that Act is amended to read as follows:

"(3) (A) When the Commissioner arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and private school officials, pay the cost of those services, including the administrative costs of arranging for those services, from the appropriate allocation or allocations under this title.

"(B) Pending final resolution of any investigation or

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of those services.

"(C) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).".

(3) Section 141A(b)(4) of that Act is amended to read as follows:

"(4) The Commissioner shall not take any final action under this subsection until the State educational agency and local educational agency affected by that action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why that action should not be taken.".

State Educational Agency Applications

(k) Section 142 of that Act is amended to read as follows:

"STATE APPLICATIONS

"SEC. 142. (a) A State is eligible to participate in programs under this title if—

"(1) it has on file with the Commissioner a general State application under section 435 of the General Education Provisions Act, and

"(2) it has submitted to the Commissioner a plan meeting the requirements of subsection (b) for the monitoring of compliance by local educational agencies in the State with the requirements of this title and for the enforcement by the State of those requirements.

"(b) A State monitoring and enforcement plan shall be submitted by the State educational agency at such times (at least once every three years) and in such detail as the Commissioner shall prescribe. That plan shall set forth—

"(1) a schedule of regular visits by State educational agency personnel to projects assisted under this title;

"(2) the matters to be reviewed in those visits;

"(3) procedures for verifying information provided by local educational agencies, including the use of other information available to the State to cross-check that information;

"(4) procedures for regular audits by the State of local educational agency expenditures under this title, and procedures for the recovery of any expenditure determined not to be allowable under this title;

"(5) procedures for resolving each complaint received by the State relating to programs assisted under this title, including complaints referred to the State by the Commissioner and complaints by representatives of children enrolled in private schools that those children are not receiving the services to which they are entitled under this title; and

"(6) a description of the means by which the State educational agency has determined, and will continue to determine, the compliance by local educational agencies with the requirements of section 141A, relating to the equitable provision of services to children enrolled in private schools.

"(c) Each plan submitted by a State educational agency under this section shall include a report, in such form as the Commissioner shall prescribe, of the activities undertaken by the State in the years since the previous plan was filed to carry out its monitoring and enforcement efforts under this title.

"(d) In the case of any State educational agency which has failed to submit to the Commissioner an acceptable plan meeting the requirements of this section, or which has failed substantially to carry out the plan it has submitted, the payment to that State under section 143 (b) shall be withheld, in whole or in part, until the Commissioner determines that such failure has ceased to occur.".

Amendments Relating to Payments

(l) (1) Section 143 of that Act is amended—

(A) in subsection (b) by striking out "section

141(a)(6)" and by inserting in lieu thereof "section 141(a)(3) and for carrying out its monitoring and enforcement plan pursuant to section 142";

(B) in subsection (b)(1) by striking out "1 per centum" and inserting in lieu thereof "1.5 per centum";

(C) in subsection (b)(2) by striking out "$150,000, or $25,000" and inserting in lieu thereof "$225,000, or $37,500", and by inserting "the Northern Mariana Islands" immediately after "the Virgin Islands"; and

(D) in subsection (c) by striking out "(1)" after the subsection designation and by striking out paragraph (2) thereof.

(2) Section 144 of that Act is amended to read as follows:

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 144. (a) If the sums appropriated for any fiscal year for making the payments provided under part A of this title are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under that part for that year, the amount available for each grant to a State agency eligible for a grant under section 121, 122, or 123 shall be equal to the total amount of the grant as computed under each such section. If the remainder of those sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under part A of this title for such year, the allocations to those agencies shall, subject to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of those allocations within the limits of the amount so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 per centum of its allocation under part A for the preceding fiscal year, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 per centum of its allocation for that preceding fiscal year.

"(b) (1) If the amount that would be received by a local educational agency under parts A and C of this title for any fiscal year exceeds 100 per centum of the maximum amount for which that agency is eligible under section 103 for that fiscal year, that excess shall be used to increase ratably the allocations of all other local educational agencies in the country under part A, with such adjustments as may be necessary to insure that the amounts received by those agencies under parts A and C do not exceed the maximum amount for which those agencies are eligible under section 103 for that fiscal year.

"(2) If, after application of the preceding paragraph, the amount that would be received in any fiscal year by a local educational agency in any State under parts A, B, and C of this title exceeds 100 per centum of the maximum amount for which that agency is eligible under section 103 for that fiscal year, that excess shall be used to increase ratably the allocations of all other local educational agencies in that State under part A, with such adjustments as may be necessary to insure that the amounts received by those agencies under parts A, B, and C do not exceed the maximum amount for which those agencies are eligible under section 103 for that fiscal year.

"(3) The amount paid to Puerto Rico under this title for any fiscal year shall not exceed 150 per centum of the amount received by Puerto Rico in the preceding fiscal year, and any excess over that amount shall be used to ratably increase the allocations under part A of the other local educational agencies in the country whose allocations do not exceed the maximum amount for which they are eligible under section 103.

"(c) In case additional funds become available for making payments under this title for that year, allocations that were reduced pursuant to subsection (a) shall be increased on the same basis that they were reduced. In order to permit the most effective use of all appropriations made to carry out this title, the Commissioner may set dates by which State educational agencies must certify to him the amounts for which the applications of educational agencies have been or will be approved by the State. If the maximum grant a local educational agency would receive (after any reduction which may have been required under subsection (a) or (b) of this section) is more than an amount which the State educational agency determines, in accordance with regulations prescribed by the Commissioner, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available shall be made by the State educational agency in furtherance of the purposes of this title in accordance with criteria prescribed by the Commissioner which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of paragraph (2) of section 103 (a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this subsection, such excess amounts shall be distributed among the other States as the Commissioner shall prescribe for use by local educational agencies in such States for the purposes of this title in such manner as the respective State educational agencies shall prescribe.".

Definitions

(m) Title I of that Act is amended by striking out sections 146 and 147 and by inserting in lieu thereof the following:

"DEFINITIONS

"SEC. 146. Except as otherwise provided in this title, for purposes of this title:

"(1) Average daily attendance shall be determined in accordance with State law, except that notwithstanding any other provision of this title, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this title the attendance of such child at such school shall be held and considered (A) to be attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

"(2) The term 'average per pupil expenditure' means in the case of a State or the United States, the aggregrate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available, of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(3) The terms 'Commissioner of Education' and 'Commissioner' means the United States Commissioner of Education.

"(4) The term 'construction' includes the preparation of drawings and specifications for school facilities;

erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities,

"(5) The term 'county' means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

"(6) The term 'current expenditures' means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under titles I or IV of this Act.

"(7) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law, and the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

"(8) The term 'equipment' includes machinery, utilities, and building equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials, and books, periodicals, documents, and other related materials.

"(9) The term 'excess costs' means those costs directly attributable to programs and projects which exceed the average per pupil expenditure of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects, but not including expenditures under a State program for educationally deprived children meeting the requirements of section 126(b), or expenditures for bilingual programs or special education for handicapped children or children with specific learning disabilities.

"(10) The term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

"(11) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school, and it also includes (except for the purposes of section 103) any State agency which is directly responsible for providing free public education for handicapped children (as defined in section 602(1) of the Education of the Handicapped Act) or for children in institutions for neglected or delinquent children.

"(12) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(13) The term 'project area' means a school attendance area having a high concentration of children from low-income families which, without regard to the location of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this title.

"(14) The term 'school attendance area' means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

"(15) The term 'school facilities' means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

"(16) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(17) The term 'State' means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(18) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.".

Evaluations

(n) Section 151 (i) of that Act is amended by striking out "of which $5,000,000 for each fiscal year ending prior to October 1, 1977, shall be available only for surveys and studies authorized by section 821 of the Education Amendments of 1974" and by inserting in lieu thereof "of which $3,000,000 for each fiscal year ending prior to October 1, 1983, shall be available for surveys and studies carried out by the National Institute of Education related to compensatory education programs and the children those programs are intended to serve".

CONFORMING AMENDMENT; EFFECTIVE DATES

SEC. 102. (a) Section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended—

(1) by striking out, "except as used in title II", in paragraph (2);

(2) by striking out, "except that for purposes of title II such term does not include any education provided beyond grade 12", where it appears in paragraph (4);

(3) by striking out, "except title II of this Act or title II or III" where it appears in paragraph (5), and inserting "title I or IV of".

(4) by striking out, "(A)" where it appears in paragraph (6) and by striking out subparagraph (B) of that paragraph;

(5) by striking out ", and for purposes of title II,

such term includes the Trust Territory of the Pacific Islands;" in paragraph (8); and

(6) by striking out paragraphs (15), (16), and (17).

(b) Section 101(a)(10) of the Education Amendments of 1974 is amended by striking out "part A" and inserting in lieu thereof "subpart 1 of part A and part B".

(c) The amendments made by subsections (d), (f), (h), (i), (k), and (l) of section 101 shall be effective with respect to fiscal year 1980 and subsequent fiscal years. The other amendments made by that section shall be effective upon the enactment of this Act.

BASIC SKILLS AND EDUCATIONAL QUALITY

SEC. 103. (a) Title II of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE II—BASIC SKILLS AND EDUCATIONAL QUALITY

"PURPOSE

"SEC. 201. (a) The purpose of this title is—

"(1) to assist Federal, State, and local educational agencies to coordinate the utilization of all available resources for elementary and secondary education to improve instruction so that all children are able to master the basic skills of reading, mathematics, and effective communication, both written and oral;

"(2) to encourage States to develop comprehensive and systematic plans for improving achievement in the basic skills;

"(3) to develop means through which parents working with the schools can contribute to improving the educational achievement of their children;

"(4) to encourage the involvement of the private sector in the delivery to children, youths, and adults of educational services and materials that will improve achievement in the basc skills; and

"(5) to expand the use of television and other technology in the delivery of instructional programs aimed at improving achievement in the basic skills.

"(b) This title may be cited as the 'Basic Skills and Educational Quality Act'.

"APPLICATIONS

"SEC. 202. (a) The Secretary may make a grant or award a contract under this title only upon the submission of an application by an eligible entity at the time and in the form prescribed by the Secretary. Each such application by a State or local educational agency shall provide assurances that—

"(1) in designing the proposal for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with private school officials; and, to the maximum extent feasible, and consistent with the number of such children in the area to be served who have the educational needs the proposal is intended to address, those children will be provided an opportunity to participate in the proposed activity on a basis comparable to that provided for public school children;

"(2) procedures have been developed to evaluate the effectiveness of the proposed activity in achieving the purposes of this title; and

"(3) procedures have been developed for incorporating successful practices developed with assistance under this title into the regular instructional program.

"(b) No grant or contract may be awarded to a local educational agency under this title unless the appropriate State educational agency has been provided an opportunity for at least thirty days to comment on the application.

"ACCEPTANCE OF GIFTS

"SEC. 203. Notwithstanding the provisions of section 408 (a) (3) of the General Education Provisions Act, the Secretary may accept on behalf of the United States, conditional or unconditional gifts or donations of services, money, or property, made for any activities authorized to be carried out under this title.

"GRANTS AND CONTRACTS

"SEC. 204. (a) In order to achieve the purposes of this title, the Secretary is authorized, during the period of October 1, 1979, through September 30, 1983, to make grants to, and enter into contracts with, State and local educational agencies, and other public and private agencies, organizations, and institutions to carry out planning, research, development, demonstrations (including training of leadership personnel), evaluation, and dissemination, as described in sections 205 through 211, except that no grant may be made under this title to other than a public or nonprofit private agency, organization, or institution.

"(b) The Secretary may provide to those entities, either directly or through grants or contracts, technical assistance related to the purposes of this title.

"INSTRUCTION IN BASIC SKILLS

"SEC. 205. The Secretary shall provide assistance, in accordance with section 204, for activities designed to demonstrate improved delivery of instructional services in the areas of reading, mathematics, and oral and written communication, including such activities as—

"(1) diagnostic testing designed to identify the instructional needs of children in those skills;

"(2) the development of comprehensive programs to address those needs through the use of available resources from local, State, and Federal programs;

"(3) projects to provide instruction in those skills to youths or adults who are not enrolled in an educational program providing such instruction;

"(4) the demonstration of techniques for coordinating the efforts of local agencies, organizations, and institutions, to improve achievement in those skills; and

"(5) short-term training for teachers, teacher aides, administrators, and other educational personnel to improve their ability to utilize available resources to carry out the purposes of this title.

"STATE PROGRAMS TO IMPROVE ACHIEVEMENT IN BASIC SKILLS

"SEC. 206. The Secretary shall provide financial and technical assistance to State educational agencies that desire to develop and implement comprehensive statewide plans for improving the skills of children, youths, and adults in reading, mathematics, and oral and written communication. Activities that may be assisted under this section include—

"(1) the development of means to coordinate all Federal and State programs that provide instruction in those skills;

"(2) planning activities that involve local administrators and teachers in the development of strategies to improve instruction in those skills;

"(3) statewide assessments of need relating to those skills, including the needs of both students and instructional personnel;

"(4) inservice training programs for local administrators, instructional personnel, and other staff members involved in instruction in those skills; and

"(5) the provision of technical assistance and the dissemination of information relating to basic skills instruction to local educational agencies and other organizations and institutions involved in programs of instruction in basic skills.

"TESTING

"SEC. 207. (a) The Secretary shall, in accordance with section 204, assist State and local educational agencies to develop their capacity to conduct programs of testing the achievement in the basic skills of children in elementary and secondary schools. Activities that may be supported under this section include—

"(1) disseminating information to State and local educational agencies on the validity, reliability, availability, and uses of achievement tests;

"(2) training of and assistance to administrators, teachers, and other instructional personnel in the use of tests and test results;

"(3) research and evaluation designed to determine improved means of assessing more accurately the achievement of children in basic skills and of diagnosing instructional needs; and

"(4) disseminating information on the results of testing programs (without identification of individual children).

"(b) Testing programs carried out under this section shall provide for the equitable participation of children in nonprofit private schools, in accordance with section 202 (a) (1).

"PARENTAL PARTICIPATION IN BASIC SKILLS INSTRUCTION

"SEC. 208. The Secretary, in accordance with section 204, shall support activities designed to enlist the assistance of parents working with schools to improve the skills of their children in reading, mathematics, and oral and written communication. Activities that may be supported under this section include—

"(1) the development and dissemination of materials that parents may use in the home to improve their children's performance in those skills;

"(2) the encouragement of closer contacts between parents and teachers to improve the coordination between learning experiences in the home and those in school;

"(3) planning for, developing, and improving centers accessible to parents to provide materials and professional guidance, including volunteers, for parents who desire to assist in the instruction of their children; and

"(4) the demonstration of training programs for parents who desire to develop new skills to complement the instruction their children receive in school.

"USE OF TECHNOLOGY IN BASIC SKILLS INSTRUCTION

"SEC. 209. The Secretary, in accordance with section 204, shall support development and demonstration activities related to the improved use of television and other technology to contribute to the instruction of children in reading, mathematics, and written and oral communication. Those activities shall be designed to expand the variety and improve the quality of instructional efforts involving the use of technology. Activities that may be supported under this section include—

"(1) the development of educational programing, including audio and video materials distributed through broadcast, cable, tape, film, cassettes, or other means that provide instruction in those skills in an effective manner;

"(2) the development of instructional materials that supplement educational programing described above in order to improve its effectiveness in the school, the home, and other learning environments;

"(3) the development of materials to assist teachers in relating such programing, or similar public or commercial programs of educational value, to instruction in the classroom;

"(4) the training of teachers, administrators, and other instructional personnel in the use of educational technology;

"(5) assistance to teachers, administrators, and other instructional personnel for experimentation with new technological approaches to instruction; and

"(6) distribution of information about, and promotion of the use of, such programing and technology in the classroom and other learning environments.

"INVOLVEMENT OF PRIVATE ORGANIZATIONS

"SEC. 210. The Secretary shall provide assistance and information to private agencies, organizations, and institutions (such as labor unions, volunteer organizations, and business associations) to support the efforts of those entities to stimulate children, youths, and adults to improve their achievement in basic skills. Activities that may be supported under this section include—

"(1) programs to motivate children to improve their reading skills through the distribution to children of books;

"(2) voluntary tutorial programs to provide individual assistance outside of the school to children, youths, and adults with instructional needs; and

"(3) community efforts to encourage individuals to improve their performance in basic skills.

"COLLECTION AND DISSEMINATION OF INFORMATION RELATING TO BASIC SKILLS PROGRAMS

"SEC. 211. The Secretary is authorized to use funds appropriated under this title to collect and analyze information concerning the results of activities carried out under this title and under part C of title IV, including information as to which of those activities have been successful in improving the achievement of students in the basic skills. Those funds may also be used to disseminate that information to State and local educational agencies and other interested public and private agencies, organizations, and institutions.

"APPROPRIATIONS

"SEC. 212. There are authorized to be appropriated the purposes of this title such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years.".

(b) The amendment made by this section shall be effective with respect to fiscal year 1980 and succeeding fiscal years.

SPECIAL PROJECTS

SEC. 104. Title III of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE III—SPECIAL PROJECTS

"PURPOSE

"SEC. 301. It is the purpose of this title to authorize the Secretary to carry out special projects—

"(1) to experiment with new educational and administrative methods, techniques, and practices;

"(2) to meet special or unique educational needs or problems; and

"(3) to place special emphasis on national education priorities.

"GRANTS AND CONTRACTS

"SEC. 302. (a) The Secretary is authorized, during the period of October 1, 1980, through September 30, 1983, to make grants to, and enter into contract with, State and local educational agencies, other public and private agencies, organizations, and institutions, and individuals to carry out the purposes of this title, except that no grant may be made under this title to other than a public or nonprofit private agency, organization, or institution, or to an individual under section 312.

"(b) No grant or contract shall be awarded under this title to a State or local educational agency unless the Secretary determines that in designing the proposal for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with private school officials; and, to the maximum extent feasible, and consistent with the number of such children in the area to be served who have the educational needs the proposal is intended to address, those children will be provided an opportunity to participate in the proposed activity on a basis comparable to that provided for public school children.

"AUTHORIZED ACTIVITIES

"SEC. 303. In carrying out the purposes of this title, the Secretary shall award grants or contracts to eligible entities for each of the activities set forth in sections 304 through 309. Funds available to the Secretary under this title which are not used for those activities may be used for grants or contracts that the Secretary determines will accomplish one or more of the purposes of this title as set forth in section 301.

"ARTS IN EDUCATION

"SEC. 304. The Secretary shall carry out a program to encourage and assist State and local educational agencies and other public and private agencies, organizations, and institutions to establish and conduct programs in which the arts are an integral part of elementary and secondary school curricula. In addition, activities carried out under this section may include arrangements with the John F. Kennedy Center for the Performing Arts and other public and private cultural organizations, agencies, and institutions, including museums, libraries, and theaters, to achieve the purpose of this section.

"EDUCATION OF GIFTED AND TALENTED CHILDREN

"SEC. 305. The Secretary shall carry out a program to assist State and local educational agencies in the planning, development, demonstration, and improvement of programs and projects designed to meet the special educational needs of gifted and talented children in preschool programs and elementary and secondary programs. Activities that may be carried out under this section include—

"(1) programs designed to identify and meet the special educational needs of those children;

"(2) programs to acquire and disseminate information derived from educational research, demonstration, and pilot projects relating to the education of those children;

"(3) programs for training personnel engaged or preparing to engage in the education of those children;

"(4) research and related activities relating to the education of gifted and talented children;

"(5) leadership training programs for teacher trainers, school administrators, supervisors, researchers, and State agency personnel who are engaged in or preparing to engage in programs for the education of gifted and talented children; and

"(6) programs to develop the full potential of gifted and talented children who are handicapped, who are economically or culturally disadvantaged, or who have limited English language skills.

"METRIC EDUCATION

"SEC. 306. The Secretary shall carry out a program to encourage educational agencies and institutions to prepare students, as part of the regular educational program, to use the metric system of measurement. Activities assisted under this section may include—

"(1) the development, demonstration, improvement, or adaptation of programs of education in the use of the metric system;

"(2) training educational personnel to carry out programs in the use of the metric system;

"(3) the development and dissemination of instructional materials for use in metric education programs; and

"(4) other activities that will encourage and assist students to learn the use of the metric system.

For the purposes of this section, the term 'metric system of measurement' means the International System of Units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

"CONSUMER EDUCATION

"SEC. 307. The Secretary shall carry out a program to assist State and local educational agencies and other public and private agencies, organizations, and institutions to support research, demonstration, and pilot projects designed to provide consumer education to the public. Activities supported under this section may include—

"(1) the development of curricula in consumer education;

"(2) dissemination of information relating to such curricula;

"(3) the support of consumer education programs in elementary and secondary schools, community organizations, and institutions of higher education; and

"(4) preservice and inservice training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare to teach in fields associated with consumer education.

"CAREER EDUCATION AND YOUTH EMPLOYMENT

"SEC. 308. (a) The Secretary shall carry out a career education and youth employment program, the purpose of which shall be to prepare children to take their place as working members of society.

"(b) The program carried out under this section shall include career education activities designed to—

"(1) assist State and local educational agencies to carry out programs to provide career information to their students and to instill in students a greater awareness of the relationship between education and career choices;

"(2) develop new ways of providing career information to students such as through (A) extended school sites at business and industrial locations, (B) the involvement of business and labor personnel in career programs at schools, and (C) the career education activities carried out in conjunction with youth employment and labor market information activities;

"(3) train teachers, administrators, counselors, and other educational personnel to carry out career education activities;

"(4) develop effective career education materials, which relate academic learning to occupational training, for distribution to educational agencies, and other organizations and institutions involved in career education;

"(5) develop work experience programs in order to enable students to explore career alternatives;

"(6) eliminate bias and stereotyping on account of sex, race, age, economic status, or handicapping conditions in career choices; and

"(7) improve career guidance, counseling, placement, and followup services utilizing counselors, teachers, parents, and community resource personnel.

"(c) In order to achieve the purposes of this section, the Secretary may also support activities—

"(1) to study the relationship of work to academic and intellectual achievement;

"(2) to develop ways to improve achievement in basic educational skills through work experience;

"(3) to enhance job opportunities for youths by coordinating educational activities with youth employment activities, particularly those carried out by the Secretary of Labor under part C of title III and title VIII of the Comprehensive Employment and Training Act of 1973;

"(4) to encourage educational agencies and institutions to develop means to award academic credit for competencies derived from work experience; and

"(5) to provide technical assistance, information, training, and other assistance to eligible entities to develop programs to enable students more readily to make the transition from school to work.

"COMMUNITY SCHOOL PROGRAMS

"SEC. 309. The Secretary shall provide financial and technical assistance to State and local educational agencies and other public and private agencies, organizations, and institutions to demonstrate community education programs to provide educational, recreational, cultural, and other community services through the use of schools and other facilities. Activities that may be supported under this section include—

"(1) use of cultural facilities, businesses, and other facilities in the community to carry out educational activities;

"(2) use of school personnel and facilities to expand and improve community service programs such as counseling and guidance services, programs for the elderly, nutrition programs, and family planning and guidance services;

"(3) the establishment of multiservice projects to expand and improve upon neighborhood services provided to children and their families;

"(4) use of school facilities for volunteer programs through which educational and social services are provided to individuals not being served by regular educational programs;

"(5) cultural, recreational, and community improvement activities carried out in school facilities or other facilities;

"(6) encouraging schools to develop high quality and specialized programs to attract students from diverse background, including programs involving arrangements with business, cultural organizations, and other community facilities;

"(7) reform of the structure of schools, particularly secondary schools, to make them more responsive to students' needs and interests, including creation of schools within schools, use of flexible scheduling and summer learning programs, and creation of interrelationships between secondary schools and institutions of higher education; and

"(8) other activities carried out under the community school program under section 405 of the Education Amendments of 1974, as in effect in fiscal year 1979 and previous years.

"SMALL GRANTS FOR LOCAL IMPROVEMENTS IN ELEMENTARY AND SECONDARY EDUCATION

"SEC. 310. The Secretary is authorized to make grants not in excess of $25,000, to teachers, administrators, other educational personnel, and parent organizations to assist in the development or demonstration of innovative methods or techniques which would contribute to the solution of educational problems, and that otherwise would carry out one or more of the purposes of this title. Any grant to an individual who is employed by a local educational agency shall be made only if the Secretary determines that the agency has had an opportunity to comment on the proposal and will cooperate with the grantee in carrying out the proposed activity.

"APPROPRIATIONS

"SEC. 311. There are authorized to be appropriated for the purposes of this title such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years.".

REVISION OF TITLE IV OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 105. (a) Title IV of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE IV—EDUCATIONAL IMPROVEMENT, RESOURCES, AND SUPPORT

"PART A—GENERAL PROVISIONS

"PURPOSE

"SEC. 401. It is the purpose of this title to provide financial assistance to State and local educational agencies—

"(1) to strengthen the quality of elementary and secondary education through support of locally initiated projects and activities designed to improve educational practices;

"(2) to strengthen the ability of State educational agencies to administer educational programs and to assist local educational agencies in improving their educational programs; and

"(3) to assist local educational agencies in the acquisition of necessary books, materials, library resources, and educational equipment.

"ALLOTMENTS TO STATES

"SEC. 402. (a) (1) From the amounts appropriated to carry out part B, part C, and part D of this title for any fiscal year, the Commissioner shall allot to each State from each such amount an amount which bears the same ratio to that amount as the number of children aged five to seventeen, inclusive, in the State bears to the number of those children in all the States. For the purposes of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(2) No State shall be allotted an amount under this title for any fiscal year which is less than the total amount received by that State, and local educational agencies within that State, under this title and under part B of the Headstart-Follow Through Act in fiscal year 1979. Any increase in the amount of a State's allotment pursuant to this paragraph shall be used to increase the amount of that State's allotments under part B, C, or D of this title in such proportion as the Commissioner determines will best achieve the purposes of this title.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out part B, C, or D which the Commissioner determines will not be required for that fiscal year to carry out any of those parts shall be available for reallotment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the original allotments to those States under subsection (a) for that year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Commissioner estimates that State needs and will be able to use for that year; and the total of those reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under subsection (a) for that year.

"(c) There are hereby authorized to be appropriated for each fiscal year for the purposes of this subsection amounts equal to not more than 1 per centum of each of the amounts appropriated for such year under parts B, C, and D of this title. The Commissioner shall allot each of the amounts appropriated pursuant to this paragraph among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under parts B, C, and D of this title. In addition, for each fiscal year he shall allot from each of such amounts to (A) the Secretary of the Interior the amounts necessary for the programs authorized by each such part for children and teachers in elementary and secondary schools operated for Indian children by the Department of the Interior, and (B) the Secretary of Defense the amounts necessary for the programs authorized by each such part for children and teachers in the overseas dependents schools of the

Department of Defense. The terms upon which payment for such purposes shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"STATE PLANS

"SEC. 403. A State shall be eligible to receive grants under this part if it has on file with the Commissioner a general State application under section 435 of the General Education Provisions Act and if it submits to the Commissioner a State plan at such times (not more often than once every three years) and in such detail as the Commissioner deems necessary, which—

"(1) designates the State educational agency as the State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for the administration of the State plan;

"(2) sets forth a program under which funds paid to the State from its allotments under section 402 will be expended solely for the programs and purposes that meet the requirements set forth in parts B, C, and D of this title, and for administration of the State plan;

"(3) provides assurances that the requirements of section 405 (relating to the participation of pupils and teachers in nonpublic elementary and secondary schools in nonpublic elementary and secondary schools) will be met, or certifies that such requirements cannot legally be met in such State;

"(4) describes the means by which the State educational agency will provide technical assistance to local educational agencies to enable them fully to participate in programs assisted under parts B and C of this title;

"(5) describes the procedures the State will use to distribute funds made available under parts B and C to local educational agencies;

"(6) provides that local educational agencies applying for funds under part B shall be required to submit applications for that program not more often than once every three years;

"(7) provides that, of the amount the State receives under parts B and C for each fiscal year, the State educational agency will use for administration of the State plan not more than 5 per centum of that amount, or $225,000 ($50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands), whichever is greater, and that the remainder of the amounts so received under those parts will be made available to local educational agencies to be used for the purposes of those parts; and

"(8) provides that the State has established a State advisory council in accordance with subsection (b).

"(b) (1) The State advisory council shall—

"(A) be appointed by the State educational agency or as otherwise provided by State law and be broadly representative of the cultural and educational resources of the State and of the public, including—

"(i) teachers, principals, superintendents, and other professional employees of local educational agencies and private schools,

"(ii) teachers from institutions of higher education,

"(iii) individuals from fields of professional competence in dealing with children needing special education because of physical or mental handicaps, specific learning disabilities, severe educational disadvantage, and limited English language skills or because they are gifted or talented, and of professional competence in guidance and counseling, and

"(iv) parents, students, and other interested members of the public;

"(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under this title;

"(C) evaluate all programs and projects assisted under this title; and

"(D) prepare at least every three years and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner.

"(2) Each State advisory council shall be authorized to obtain the services of such professional, technical, and clerical personnel, and to contract for such other services as may be necessary to enable them to carry out their functions under this title, and the Commissioner shall assure that funds sufficient for these purposes are made available to each council from funds available for administration of the State plan.

"(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsections (a) and (b) of this section.

"PAYMENTS TO STATES

"SEC. 404. From the amounts allotted to each State under section 402 for carrying out the programs authorized by parts B, C, and D, respectively, the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 405 (g)).

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 405. (a) (1) To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this title or which serves the area in which a program or project assisted under this title is located who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment including the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such service, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

"(2) If no program or project is carried out under part B in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit private agencies or organizations, under which children in private schools in that district are provided with services and materials under that part to the extent that would have occurred if the local educational agency had received funds under this title.

"(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this title for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance areas, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

"(c) (1) The control of funds provided under this title and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

"(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.

"(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner shall waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(e) (1) If the Commissioner determines that a State or a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of those services.

"(f) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

"(g) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this title.

"(h) The Commissioner shall not take any final action under this section until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why that action should not be taken.

"PART B—INSTRUCTIONAL MATERIALS AND SCHOOL LIBRARY RESOURCES

"ACTIVITIES AUTHORIZED

"SEC. 421. The amounts allocated to each State under section 402 for the purposes of this part shall be used to provide assistance to local educational agencies within that State—

"(1) for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools;

"(2) for the acquisition of instructional equipment and materials suitable for use in providing education in academic subjects for use by children and teachers in elementary and secondary schools;

"(3) for the acquisition of instructional materials for use in the home in order to encourage greater parental participation in the education of their children; and

"(4) for the acquisition of material for testing programs, particularly those to diagnose learning problems and to assess achievement in basic skills.

"PROGRAM REQUIREMENTS

"SEC. 422. (a) Funds available to a State under this part shall be distributed among local educational agencies in that State according to the enrollments in public and nonpublic schools within the school districts of those agencies, adjusted, in accordance with criteria prescribed by the Commissioner, to provide higher per pupil allocations to (1) local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of this Act) is no greater than the average per pupil expenditure in the State, and (2) local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language.

"(b) Local educational agencies shall be given discretion (subject to the provisions of section 405) in determining how funds they receive under this part will be divided among the purposes described in section 421, except that the State educational agency shall insure that each local educational agency, in making that determination, has adopted appropriate procedures, including periodic consultation with teachers, other professional staff in the schools, and private school officials, to coordinate the selection of equipment and materials under this part with curricula being carried out in the schools of that agency.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 423. There are authorized to be appropriated for the purposes of this part such sums as may be necessary for fiscal year 1980 and each of the three succeeding fiscal years.

"PART C—IMPROVEMENT IN LOCAL EDUCATIONAL PRACTICES

"ACTIVITIES AUTHORIZED

"SEC. 431. The amounts allocated to each State under section 402 for the purposes of this part shall be used to provide assistance to local educational agencies within that State for activities that will improve the educational practices of those agencies, including—

"(1) the development and demonstration of activities designed to address serious educational problems in elementary and secondary schools, including—

"(A) the need for effective programs for children with special needs, such as educationally deprived children, gifted and talented children, and handicapped children,

"(B) high rates of children who do not complete secondary school, and

"(C) the need of children in private schools for improved educational services;

"(2) encouraging the development and demonstration of improved means of carrying out programs for educationally deprived children in school attendance areas having high concentrations of children from low-income families;

"(3) activities designed to improve the achievement of children in basic skills;

"(4) activities to encourage the participation of parents in the education of their children;

"(5) the development of programs to diagnose learning problems and assess the educational achievement of children, including children in nonprofit private schools;

"(6) improving programs of guidance and counseling, including—

"(A) activities designed to eliminate bias and stereotyping on the basis of sex in such programs, and

"(B) activities designed to provide students in secondary schools with information necessary to make the transition to higher education or to an occupation;

"(7) developing and implementing model plans to demonstrate effective means of improving school managen[illegible] and fully coordinating all the Federal, State, and local resources available in a school in a fashion designed to meet individual needs of every child in that school;

"(8) professional development programs for teachers, administrators, and other instructional personnel in the schools of those agencies; and

"(9) programs to extend the educational process beyond the school building through the use of other resources in the community, such as museums, businesses, cultural organizations, labor unions, and governmental agencies.

"PROGRAM REQUIREMENTS

"SEC. 432. (a) Funds available to a State under this part shall be distributed among local educational agencies on an equitable basis, with due regard for the quality of activities proposed in the applications of local educational agencies, except that the State educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources; and the State plan shall set forth the specific criteria the State educational agency has developed and will apply to meet the requirements of this subsection.

"(b) Funds may be made available to a local educational agency under this part for a period of not more than one year to plan for activities to be carried out under this part.

"(c) Funds may be provided to a local educational agency under this part for a particular activity for a period of not to exceed five fiscal years (excluding any period for which that agency received a planning grant for that activity), subject to the availability of appropriations for this part for each fiscal year. The amount provided to a local educational agency for any activity under this part shall decline after the third year, in accordance with criteria prescribed by the Commissioner, in order to insure that successful practices developed with assistance under this part will be adopted and supported as part of the regular program.

"(d) In fiscal year 1980 not less than 5 per centum, and in each fiscal year thereafter not less than 10 per centum, of the amount made available to each State under this part shall be used to support activities described in section 431 (7), relating to plans for improved school management and the coordinated use in schools of all available resources. No such project shall be approved by the State educational agency unless the proposal therefor has been developd in consultation with, and has been approved by, a committee composed of administrators, teachers, and other staff at the school and parents whose children attend the school.

"(e) (1) In order to demonstrate more effective means of coordinating the use of all resources available to a school to meet the individual needs of each child, a State educational agency may, in conjunction with a limited number of projects carried out in the State under subsection (d), request the Commissioner to modify requirements of title I (other than section 141 (c) (2) thereof) or VII of this Act or the Education of the Handicapped Act with respect to the use of funds under those authorities in schools at which such a demonstration is conducted.

"(2) The Commissioner may grant a request for such a modification if he determines that—

"(A) the project for which that request is made shows promise of demonstrating more effective means of meeting the individual needs of every child in the school;

"(B) the requirements of which a modification is requested would impede the success of the demonstration;

"(C) the plan that has been developed for the school to which the request relates adequately sets forth how the funds under each such program will be used, along with all other available funds, to meet the needs of all the children intended to be served by each of those programs; and

"(D) the State educational agency has developed adequate techniques to evaluate the project.

"(3) The Commissioner shall not grant a request for a modification of requirements under this authority for projects at more than five schools in any State.

"(f) Not less than 15 per centum of the amount received by a State under this part in any fiscal year shall be used for special programs or projects meeting the purposes of this part for the education of handicapped children. For the purpose of this part, the term 'handicapped children' has the meaning set forth in section 602(1) of the Education of the Handicapped Act.

"(g) Subject to section 405 (d) and (e), a State educational agency shall not approve the application of a local educational agency for assistance under this part unless the State educational agency determines that in designing the proposal to which that application relates, the needs of children in nonprofit private schools have been taken into account through consultation with private school officials and other means.

"PROJECTS FOR EDUCATIONALLY DEPRIVED CHILDREN

"SEC. 433. (a) (1) From the amount allocated to a State for the purposes of this part for any fiscal year, not less than the amount received by local educational agencies in that State for Follow Through projects under part B of the Headstart-Follow Through Act in fiscal year 1979 plus 10 per centum of the amount allocated to the State under this part shall be used by that State to support projects and activities carried out by local educational agencies in the State to develop, demonstrate, and evaluate innovative projects designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, except that the operation of this subsection shall not require a State to expend for the purposes of this part in any fiscal year less than was expended by that State in fiscal year 1979 for the activities that were authorized by this part (other than section 431(a)(3)) and by section 421(a)(3), as those provisions were in effect for that fiscal year.

"(2) From the amount available to a State for the purposes of this section, no local educational agency in that State shall receive—

"(A) in fiscal year, 1980, less than 75 per centum,

"(B) in fiscal year 1981, less than 50 per centum, and

"(C) in fiscal year 1982, less than 25 per centum

of the amount received by that agency in fiscal year 1979 under part B of the Headstart-Follow Through Act.

"(b) Projects and activities carried out by a local educational agency under subsection (a) may include, but are not limited to—

"(1) the promotion of greater parental participation in, and contribution to, the learning process of their children;

"(2) summer activities designed to sustain educational progress made by children in previous years;

"(3) projects to meet the special educational needs of educationally deprived children in junior and senior high schools, including projects to sustain the gains made by children in programs assisted under this title in elementary school; and

"(4) projects in schools with especially high concentrations of children from low-income families to coordinate the utilization of all available resources (including funds made available under other Federal programs) to provide a comprehensive approach to meeting the special educational needs of all children in the school.

"(c) Funds reserved for the purposes of this section shall be distributed to local educational agencies in the State for use in schools and school attendance areas eligible for projects under title I of this Act. Those funds shall be distributed by the State pursuant to the criteria established under section 432(a) as well as additional criteria developed by the State educational agency designed to insure that projects carried out under this section will contribute to the improvement of programs and projects assisted under title I of this Act and under State programs with similar purposes.

"(e) Projects and activities carried out by a State under this subsection shall be coordinated with the program administered by the State under title I of this Act.

"(f) The State educational agency shall evaluate projects and activities assisted under this section at such times as the Commissioner shall prescribe to determine the extent to which those projects and activities have contributed to improving compensatory education programs in the State, with particular regard to—

"(1) sustaining the educational gains accomplished under those programs from year to year, and from elementary to secondary grades, and

"(2) the improvement of student achievement in basic skills.

"AUTHORIZATION OF APPROPRIATION

"SEC. 434. There are authorized to be appropriated for the purpose of this part such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years.

"PART D—STRENGTHENING STATE EDUCATIONAL AGENCY MANAGEMENT

"ACTIVITIES AUTHORIZED

"SEC. 441. The amounts allocated to each State under section 402 for the purposes of this part shall be available to the State educational agency of that State to strengthen the educational leadership resources of that agency and to assist that agency in identifying and meeting the critical educational needs of the State. Such activities may include—

"(1) developing more equitable means of financing education in the State;

"(2) providing resources to other branches of the State government to conduct analyses of educational issues facing the State;

"(3) developing statewide programs to assess the educational progress of students in the State in both public and private schools, including testing programs and other methods of assessing student achievement in reading, writing, and mathematics;

"(4) providing technical assistance to local educational agencies for improving planning, management of State and Federal programs, citizen involvement, and staff development;

"(5) providing technical assistance to local educational agencies for improving their instructional programs, including programs that enable parents to assist in the instruction of their children at home;

"(6) workshops, conferences, and other means of providing communication among educators and between educators and the public;

"(7) dissemination of information concerning effective educational practices;

"(8) coordinating public educational programs with those carried out in private nonprofit elementary and secondary schools in the State, and monitoring the requirements of Federal programs with respect to the participation therein of children enrolled in those schools; and

"(9) professional development of employees of the State educational agency.

"PROGRAM REQUIREMENTS

"SEC. 442. The State plan submitted in accordance with section 403 shall set forth in such detail as the Commissioner prescribes the purposes for which funds provided under this part will be used by the State educational agency. That plan shall also set forth—

"(1) the means by which the State will make information and technical assistance available to private nonprofit school officials who desire to arrange for children in those schools to participate in Federal elementary and secondary education programs, and

"(2) a comprehensive plan for the coordination of Federal and State funds for training activities for educational personnel in the State including preservice and inservice training, which plan shall be developed with the involvement of teachers, professional associations, institutions of higher education, and other interested individuals and organizations.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 443. There are authorized to be appropriated for the purposes of this part such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years.".

(b) The amendment made by this section shall be effective with respect to appropriations for fiscal year 1980 and succeeding fiscal years.

BILINGUAL EDUCATION

Definitions and Eligibility

SEC. 106. (a) (1) Title VII of the Elementary and Secondary Education Act of 1965 is amended by striking out "of limited English-speaking ability" wherever it occurs in that title and by inserting instead "with limited English language skills".

(2) Section 703 of that title is amended—

(A) in subsection (a) (1) by striking out "limited English-speaking ability" and inserting instead "limited English language skills";

(B) in subsection (a) (1) by striking out "have difficulty speaking and understanding instruction in the English language" and by inserting instead "have difficulty speaking, reading, writing, or understanding instruction in the English language";

(C) by striking out paragraph (3) of subsection (a);

(D) in subsection (a) (4) by revising subparagraph (B) to read as follows:

"(B) In order to prevent the segregation of children on the basis of national origin in programs assisted under this title, and in order to broaden the understanding of children about languages and cultural heritages other than their own, a program of bilingual instruction may include the participation of children whose language is English. However, the objective of the program shall be to assist children with limited English language skills to improve those skills; and the participation of other children in the program must be for the principal purpose of contributing to the achievement of that objective.";

(E) in subsection (a) (4) by amending subparagraph (E) to read as follows:

"(E) An application for a program of bilingual education shall—

"(i) be developed in consultation with an advisory council, of which a majority shall be parents and other representatives of children with limited English language skills, in accordance with criteria prescribed by the Commissioner,

"(ii) be accompanied by any comments that council may have on the application, and

"(iii) contain assurances that after the application has been approved, the applicant will provide for the continuing consultation with and participation by a committee of parents, teachers, and other interested individuals (of which a majority shall be parents of children with limited English language skills) which shall be selected by and predominantly composed of parents of children participating in the program, and in the case of programs carried out in secondary schools, representatives of the secondary students to be served.";

(F) by inserting at the end of subsection (a) (4) the following new subparagraph:

"(F) Parents of children participating in a program of bilingual education shall be informed of the institutional goals of the program and the progress of their children in that program."; and

(G) in subsection (a), by striking out paragraph (8).

Program Administration

(b) (1) Section 721(b) of that title is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), and by inserting immediately following paragraph (1) the following new paragraph:

"(2) (A) Except as provided in subparagraph (B), funds shall be available under this part for a program of bilingual education at a school or group of schools for no more than five fiscal years, except that projects and activities for which funds were available prior to October 1, 1978, may continue to receive assistance under this part through September 30, 1982. The amount made available for the third, fourth, or fifth year of any such project or activity funded under this part for any fiscal year beginning after September 30, 1978, shall be reduced in accordance with criteria established by the Commissioner designed to insure the gradual assumption by the applicant of the costs or projects and activities assisted under this title.

"(B) The Commissioner may waive the requirements of subparagraph (A) in the case of school districts as to which he determines that the imposition of those requirements would create exceptional hardships because of unusual circumstances in those districts.".

(2) Clause (B) of section 721(b)(3) of that title (as redesignated by paragraph (1) of this subsection) is amended by inserting before the semicolon at the end thereof a comma and "except that the Commissioner may waive the requirement of this clause, in whole or in part, if the applicant demonstrates that such an expenditure would not be warranted in light of the relative need of that applicant for such purposes".

(3) Section 721(b)(3) of that title (as so redesignated) is further amended by striking out "and" at the end of clause (C), by striking out the period at the end of clause (D) and inserting instead a semicolon, and by inserting after clause (D) the following:

"(E) the Commissioner determines that the assistance provided under the application will contribute toward building the capacity of the applicant to provide a program of bilingual education on a regular basis that will be of sufficient size, scope, and quality to promise significant improvement in the education of children with limited English language skills, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

"(F) the program of bilingual education for which assistance is sought will (i) serve those children most in need of assistance under this title, (ii) provide measurable goals for determining when those children no longer need that assistance, and (iii) provide, from State and local sources, for necessary followup services to sustain the achievement of those children after they have left the program;

"(G) Federal funds made available for the project or activity will be so used as to supplement the level of State and local funds that, in the absence of those Federal funds, would have been expended for special programs for children with limited English language skills and in no case to supplant such State and local funds: *Provided,* That nothing in this title shall (i) prohibit the use of funds made available under this title for activities not previously paid for out of non-Federal funds which are undertaken pursuant to an order of a court of the United States or of any State respecting services to be provided for those children, or a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided for those children, or (ii) authorize any priority or preference to be assigned by the Commissioner to the funding of those activities under this title; and

"(H) the applicant demonstrates that, to the extent possible, personnel recruited and employed to carry out projects and activities under this title are bilingual.".

(4) Section 723 (a) (2) of that title is amended by—

(A) striking out "October 1, 1978" and inserting instead "October 1, 1983"; and

(B) striking out "Committee on Labor and Public Welfare" and inserting instead "Committee on Human Resources".

(5) Section 723 (b) of that title is amended by—

(A) inserting "and" after clause (1),

(B) striking out "; and" after clause (2) and inserting instead a period, and

(C) striking out clause (3).

Participation of Children Enrolled in Private Schools

(c) Section 721 of that title is amended by adding at the end thereof the following new subsection:

"(d) If the Commissioner determines that an applicant for assistance under this title is unable or unwilling to provide for the participation in the program for which assistance is sought of children with limited English language skills enrolled in nonprofit, nonpublic schools, as required by paragraph (2) (C) (ii) of subsection (b), the Commissioner shall—

"(1) withhold approval of that application until the applicant demonstrates that it is in compliance with those requirements, or

"(2) reduce the amount of the grant to that applicant by the amount which is required for the Commissioner to arrange (such as through a contract with a nonprofit, nonsecular agency, organization, or institution) to assess the needs of those children in the area to be served for a program of bilingual instruction and to carry out such a program for those children.".

Appropriations; Administration

(d) (1) Section 702 (b) of that title is amended—

(A) in paragraph (1) by striking out "and" after "June 30, 1977;" and by inserting before the period at the end thereof a semicolon and $160,000,000 for fiscal year 1979; and such sums as may be necessary for each of the four succeeding fiscal years";

(B) in paragraph (2) by striking out "and" after "June 30, 1977" and by inserting before the period at the end thereof a semicolon and "$5,000,000 for fiscal year 1979; and such sums as may be necessary for each of the four succeeding fiscal years", and

(C) by revising paragraph (3) to read as follows:

"(3) From the sums appropriated under paragraph (1) for any fiscal year, the Commissioner shall reserve $16,000,000 of that part thereof that does not exceed $70,000,000 for training activities carried out under section 721 (a) (3), and shall reserve for those activities not less than 20 per centum of that part thereof which is in excess of $70,000,000.".

(2) Section 731 (b) (1) of that title is amended to read as follows:

"(b) (1) The Office shall be headed by a Director of Bilingual Education, appointed by the Commissioner to whom the Commissioner shall delegate all of his delegable functions relating to bilingual education. The Director shall also be assigned responsibility for coordinating the bilingual education aspects of other programs administered by the Commissioner.".

(3) Section 731 (c) of that title is repealed.

(4) Section 732 (a) of that title is amended by striking out "July 1, 1978" and inserting instead "October 1, 1983".

Supportive Services and Activities

(e) (1) Section 742 (c) of that title is amended by redesignating clauses (2) and (3) as clauses (4) and (5) and by inserting the following after clause (1):

"(2) conduct research, development, and evaluation activities designed to improve the means by which teachers are trained for programs of bilingual instruction, and disseminate the results of those activities;

“(3) conduct research, development, and evaluation activities into the effectivenes of taking account of the cultural heritage of children as a means of improving the achievement of children with limited English language skills, and disseminate the results of those activities.”.

(2) Section 742(c) of that title is amended to read as follows:

“(c) There are authorized to be appropriated, for the purpose of carrying out this section, $12,500,000 for fiscal year 1979, and such sums as may be necessary for each of the four succeeding fiscal years.”.

(f) The amendments made by this section shall be effective upon the enactment of this Act.

CONFORMING AMENDMENTS

SEC. 107. (a) Title VIII of the Elementary and Secondary Education Act of 1965 is amended by striking out sections 804, 807, 808, and 811.

(b) Title III of the National Defense Education Act of 1958 is repealed.

(c) Title VII and section 842 of the Education Amendments of 1974 are repealed.

(d) The amendments made by this section shall be effective after September 30, 1979.

TITLE II—IMPACT AID AMENDMENTS

AMENDMENTS RELATING TO ELIGIBILITY FOR AND AMOUNT OF PAYMENTS

SEC. 201. (a) Section 3 of the Act of September 30, 1950, Public Law 874, Eight-first Congress (hereinafter in this title referred to as the "Act") is amended to read as follows:

"ELIGIBILITY FOR, AND AMOUNT OF, ENTITLEMENTS

"Children of Persons Who Reside and Work on Federal Property

"SEC. 3. (a) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year, the Commissioner shall determine the number of children who were in average daily attendance at the schools of that agency, and for whom that agency provided free public education, during that fiscal year, and who, while in attendance at such schools—

"(1) resided on Federal property with a parent employee on Federal property, or

"(2) resided on Federal property in the household of a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code), or

"(3) resided on Indian lands, as described in clause (A) of section 403(1).

"Children of Persons Who Reside or Work on Federal Property

"(b) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to October 1, 1983, the Commissioner shall, in addition to any determination made with respect to that agency under subsection (a), determine the number of children (other than children with respect to whom a determination is made for that fiscal year under subsection (a)) who were in average daily attendance at the schools of that agency, and for whom that agency provided free public education, during that fiscal year, and who, while in attendance at such schools, either—

"(1) resided on Federal property, or

"(2) resided with a parent employed on Federal property situated in whole or in part in the county in which the school district of that agency is located, or

"(3) reside in the household of a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code).

"Amount of Entitlements

"(c) (1) The amount to which a local educational agency shall be entitled under this section for any fiscal year shall be the product of—

"(A) the local contribution rate for that agency, determined in accordance with paragraph (2) of this subsection, and

"(B) the number determined under paragraph (3) of this subsection less 3 per centum of the difference between (i) the total number of children who were in average daily attendance at the schools of that agency during that fiscal year and (ii) the number determined under paragraph (3).

"(2) (A) Except as provided in subparagraph (B), the local contribution rate for a local educational agency in a State for any fiscal year shall be 50 per centum of the average per pupil expenditure in the State

"(B) The local contribution rate for any local educational agency in—

"(i) Puerto Rico, Wake Island, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or the Northern Mariana Islands, or "(ii) any State in which a substantial portion of the land is in unorganized territory.

shall be determined for any fiscal year by the Commissioner in accordance with policies and principles that will best achieve the purposes of this section.

"(C) For the purposes of this paragraph—

"(i) the term 'State' does not include Puerto Rico, Wake Island, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or the Northern Mariana Islands; and

"(ii) the 'average per pupil expenditure' in a State, shall be (I) the aggregate current expenditures during the second fiscal year preceding the fiscal year for which the computation is made of all local educational agencies in the State, divided by (II) the aggregate numbers of children in average daily attendance for whom those agencies provided free public education during that second preceding fiscal year.

"(3) For each local educational agency which is entitled to receive a payment under this section for any fiscal year the Commissioner shall determine—

"(A) in the case of any local educational agency with respect to which the number of children determined for that fiscal year under subsection (a) amounts to at least 25 per centum of the total number of children who were in average daily attendance at the schools of that agency during that fiscal year and for whom that agency provided free public education, a number equal to 100 per centum of the number of children determined under that subsection plus the sum of the numbers determined with respect to that agency under clauses (B) (iii) and (B) (iv) ; and

"(B) in the case of any other local educational agency a number equal to the sum of—

"(i) 100 per centum of the number of children determined with respect to that agency for that fiscal year under clauses (2) and (3) of subsection (a) ;

"(ii) 90 per centum of the number of children determined with respect to that agency for that fiscal year under clause (1) of subsection (a) ;

"(iii) 50 per centum of the number of children determined with respect to that agency for that fiscal year under clauses (1) and (3) of subsection (b) ; and

"(iv) 45 per centum of the number of children determined with respect to that agency for that fiscal year under clause (2) of subsection (b).

In making the determination required by this paragraph for any local educational agency for any fiscal year, the number of children with respect to whom a determination is made under subsections (a) (2), (a) (3), and (b) (3) shall be increased by 50 per centum of the number of such children who are handicapped children for whom that agency is providing a free appropriate public education, in accordance with criteria promulgated by the Commissioner under part B of the Education of the Handicapped Act. For the purposes of this paragraph the term 'handicapped children' has the meaning specified in section 602 (1) of that Act.

"(4) If with respect to any local educational agency, not less than 50 per centum of the total number of children who were in average daily attendance at the schools of that agency and for whom that agency provided free public education were, during that fiscal year, determined under either subsection (a) or clause (1) of subsection (b), or both, the Commissioner is authorized to increase the amount computed under paragraph (1) with respect to that agency for that fiscal year to the extent necessary to enable that agency to provide a level of education equivalent to that maintained in the school districts of the State which are generally comparable to the school district of that agency. The Commissioner shall not, under the preceding sentence, increase the amount computed under paragraph (1) with respect to any local educational agency for any fiscal year to an amount which exceeds the product of—

"(A) the amount the Commissioner determines to be the cost per pupil of providing a level of education maintained in such comparable school districts during that fiscal year,

multiplied by—

"(B) the number of children determined with respect to that agency for such year under either subsection (a) or clause (1) of subsection (b), or both,

minus the amount of State aid which the Commissioner determines to be available with respect to such children for the fiscal year for which the computation is being made.

"Adjustments for Decreases in Federal Activities

"(d) Whenever the Commissioner determines that—

"(1) for any fiscal year, the number of children determined with respect to any local educational agency under subsections (a) and (b) is less than 90 per centum of the number so determined with respect to that agency during the preceding fiscal year;

"(2) there has been a decrease or cessation of Federal activities within the State in which that agency is located; and

"(3) such decrease or cessation has resulted in a substantial decrease in the number of children determined under subsections (a) and (b) with respect to that agency for that fiscal year;

the amount to which that agency is entitled for that fiscal year and for any of the three succeeding fiscal years shall not be less than 90 per centum of the amount to which such agency was so entitled for the preceding fiscal year. In determining whether the condition set forth in paragraph (1) is met for any local education agency for fiscal year 1979, and in determining the amount by which the entitlement of that agency shall be increased for that fiscal year, the Commissioner shall disregard any decrease in the number of children determined under subsections (a) and (b) resulting from the enactment of the Education Amendments of 1978.

"Determinations on the Basis of Estimates

"(e) Determinations with respect to a number of children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any local educational agency of its entitlement to any payment (or the amount thereof) under this section to which that agency would be entitled had such determination been made on the basis of accurate data.".

(b) (1) Section 5 (c) of the Act is amended to read as follows:

"Adjustments Where Necessitated by Appropriations

"(c) If the sums appropriated for any fiscal year for making payments on the basis of entitlements established under sections 2, 3, and 4 for that year are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies are entitled to receive under those sections for that fiscal year, the Commissioner shall allocate to each such local educational agency an amount which bears the same ratio to the total of the entitlements of that agency under those sections for that year as the amount appropriated for that year bears to the aggregate of the entitlements of all such local educational agencies under those sections for that year.".

(2) Section 5 of the Act is further amended by striking out subsections (e) and (f) and inserting instead the following:

"(e) The amount of the payment to any local educational agency for any fiscal year that is attributable to the increase in the number of children determined under paragraph (3) of section 3 (c), pursuant to the second sentence of that paragraph (relating to the counting of handicapped children), shall be used by such agency for special educational programs designed to meet the special educational needs of those children.".

(c) The second sentence of section 6 (d) of the Act is amended by inserting "or in the case of arrangements for the education of handicapped children or other children with special educational needs" immediately after "the second sentence of subsection (a)".

(d) (1) Section 403 (1) of the Act is amended by striking out " (C) any low-rent housing (whether or not owned by the United States) which is part of a low-rent housing project assisted under the United States Housing Act of 1937, section 516 of the Housing Act of 1949, or part B of title III of the Economic Opportunity Act of 1964, and (D)" and by inserting instead "and (C)".

(2) Section 403 (5) of the Act is amended by striking out "title II or III" and inserting instead "title IV".

(e) The amendments made by this section shall be effective with respect to appropriations for fiscal year 1979 and subsequent fiscal years.

HOLD HARMLESS PAYMENTS

SEC. 202. (a) Any local educational agency that was entitled to a payment under section 2, 3, or 4 of the Act for fiscal year 1978, shall be paid, for the fiscal years 1979, 1980, and 1981, the amount (if any) necessary to increase its payment for that year to 75 per centum of the amount paid to that agency under the Act and under this section for the preceding fiscal year; except that, in determining the amount payable to a local educational agency under this subsection, the amount paid to that agency—

(A) for fiscal year 1978 with respect to children who resided on, or resided with a parent employed on, property described in section 403(1)(C) of the Act (as in effect prior to the date of enactment of this Act), and

(B) for fiscal year 1979 under subsection (b) of this section,

shall be disregarded.

(b) In addition to any other amounts which a local educational agency is entitled to receive under the Act or under subsection (a) of this section for fiscal year 1979 or 1980, that agency shall be paid an amount equal to the amount paid to that agency for fiscal year 1978 with respect to children who resided on, or resided with a parent employed on, property described in section 403(1)(C) of that Act (as in effect prior to the date of enactment of this Act). The amount paid to a local educational agency under this subsection shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low-income families.

AMENDMENTS RELATING TO PAYMENTS FOR CERTAIN DISASTERS

SEC. 203. (a) (1) Section 7 (a) (1) of the Act is amended by striking out “(A)” after “(1)”; by striking out “or” at the end of paragraph (1) (A) and by inserting instead “and”; and by striking out subparagraph (B).

(2) Section 7 (a) (1) of that Act is further amended by striking out “October 1, 1978” and by inserting instead “October 1, 1983”.

(3) Section 7 (a) (3) of the Act is amended by striking out “at least $1,000 or one-half of 1 per centum” and inserting instead “at least $7,500 or 5 per centum”.

(4) Subsection (c) of section 7 of the Act is amended to read as follows:

“(c) There are authorized to be appropriated for each fiscal year such amounts as may be estimated by the Commissioner of Education to be necessary to carry out the provisions of this section, which may be made available until expended.”.

(b) (1) Section 16 (a) (1) of the Act of September 23, 1950, Public Law 815, Eighty-first Congress, is amended by striking out “(A)” after “(1)”; by striking out “or” at the end of paragraph (1) (A) and by inserting instead “and”; and by striking out subparagraph (B).

(2) Section 16 (a) (1) of that Act is further amended

by striking out "October 1, 1978" and inserting instead "October 1, 1983".

(3) Section 16 (a) (5) of such Act is amended by striking out "at least $1,000 or one-half of 1 per centum" and inserting instead "at least $7,500 or 5 per centum".

(4) Section 16 (a) of such Act is further amended by striking out the final sentence thereof and inserting instead "In any case deemed appropriate by the Commissioner, such assistance shall be in the form of a repayable advance subject to such terms and conditions as he considers to be in the public interest.".

(5) Subsection (b) of section 16 of such Act is amended to read as follows:

"(b) There are authorized to be appropriated for each fiscal year such amounts as may be estimated by the Commissioner of Education to be necessary to carry out the provisions of this section, which may be made available until expended.".

AMENDMENTS TO PUBLIC LAW 815, EIGHTY-FIRST CONGRESS

Sec. 204. (a) The first sentence of section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1983".

(b) Section 3 and section 5(c) of that Act are each amended by striking out the last sentence thereof.

(c) (1) Section 4 of that Act is amended by inserting "(a)" after "SEC. 4.".

(2) Section 15(10) of that Act is redesignated as subsection (b) of section 4.

(3) Section 15(5) of that Act is redesignated as subsection (c) of section 4.

(4) Section 15(7) of that Act is redesignated as subsection (d) of section 4.

(5) Paragraphs (8), (9), and (11) through (16) of section 15 of that Act are redesignated as paragraphs (5), (6), and (7) through (12), respectively.

(d) Section 15(6) of that Act is redesignated as subsection (g) of section 5 and is amended to read as follows:

"(g) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as may be requested by the Commissioner.".

(e) Section 5 of that Act is further amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any provision of this Act, the Commissioner is authorized to provide amounts necessary to meet the costs of providing minimum school facilities in school districts for which an increase in Federal activity is projected. Such amounts may be provided subject to such terms and conditions as the Commissioner may reasonably establish.".

(f) (1) Section 10(b) of that Act is amended by inserting ", or any other local government agency which is responsible for providing school facilities," immediately after "local educational agency".

(2) Section 10(b) of that Act is further amended by inserting after the first sentence the following new sentence:

"Funds available for the purpose of this section may be used by the Commissioner to repair, remodel or otherwise improve such facilities in order to facilitate any transfer authorized under this subsection.".

(g) Section 15(1) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out "(B) any low-rent housing (whether or not owned by the United States) which is part of a low-rent housing project assisted under the Housing Act of 1937, and (C)" and by inserting instead "and (B)".

(h) Section 15(11) of that Act (as redesignated by subsection (c)(5)) is amended by striking out "1973–1974" and inserting in lieu thereof "1976–1977".

TITLE III—MISCELLANEOUS AMENDMENTS RELATING TO EDUCATION PROGRAMS

ADULT EDUCATION

Sec. 301. (a) Section 302 of the Adult Education Act is amended to read as follows:

"STATEMENT OF PURPOSE

"Sec. 302. It is the purpose of this title to expand educational opportunities for adults and to encourage the establishment of programs of adult education that will—

"(1) enable all adults to acquire basic skills necessary to function in society,

"(2) enable adults who so desire to continue their education to at least the level of completion of secondary school, and

"(3) to make available to adults the means to secure training that will enable them to become more employable, productive, and responsible citizens.".

(b) Section 303 (b) of that Act is amended by inserting "lack sufficient mastery of basic educational skills to enable them to function effectively in society or who" immediately after "(1)".

(c) Section 304 of that Act is amended by striking out "private nonprofit agencies" each place it appears and inserting instead "public or private agencies, organizations, and institutions".

(d) Section 305 (a) of that Act is amended by inserting "the Northern Mariana Islands" immediately after "Pacific Islands,".

(e) Section 306 of that Act is amended to read as follows:

"STATE PLANS

"SEC. 306. (a) A State shall be eligible to receive its allotment under section 305 if—

"(1) it has on file with the Commissioner a general State application under section 435 of the General Education Provisions Act, and

"(2) it has submitted to the Commissioner at such times (not more frequently than once every three years), and in such detail, as the Commissioner shall prescribe a State plan meeting the requirements of subsection (b).

"(b) A State plan under this title shall—

"(1) set forth a program for the use of funds provided under this title to carry out the purposes stated in section 302 with respect to all segments of the adult population in the State, including institutionalized adults;

"(2) provide for the administration of the program by the State educational agency;

"(3) describe the procedures the State will use to insure that in carrying out that program there will be adequate consultation, cooperation and coordination between the State educational agency and State manpower services councils and other agencies, organizations, and institutions in the State which operate employment and training programs or other educational or training programs for adults;

"(4) identify (A) the needs of the population of the State for services authorized under this title, (B) the other resources in the State available to meet those needs, and (C) the goals the State will seek to achieve in meeting those needs over the period covered by the plan;

"(5) describe the means by which the delivery of adult education services will be significantly expanded through the use of agencies, institutions, and organizations other than the public school system, such as businesses, labor unions, libraries, institutions of higher education, and community organizations;

"(6) describe the means by which representatives of business and industry, labor unions, public and private educational agencies and institutions, churches, fraternal and voluntary organizations, community organizations, State and local manpower and training agencies, and other entities in the State concerned with adult education have been involved in the development of the plan and will continue to be involved in carrying out the plan, especially with regard to the expansion of the delivery of adult education services through these agencies, institutions, and organizations:

"(7) describe the efforts to be undertaken by the State to eliminate barriers to participation in adult education programs caused by inflexible course schedules, inconvenient locations, inadequate transportation, and child care needs;

"(8) provide that such agency will make available not to exceed 20 per centum of the State's allotment for programs of equivalency for a certification of graduation from a secondary school;

"(9) provide that special emphasis be given to adult basic education programs except where such needs can be shown to have been met in the State;

"(10) provide that special assistance be given to the needs of persons with limited English language skills (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965), by providing bilingual adult education programs in which instruction is given in English and, to the extent necessary to allow such persons to progress effectively through the adult education program, in the native language of such persons, carried out in coordination with programs of bilingual education assisted under such title VII and bilingual vocational education programs under the Vocational Education Act of 1963;

"(11) set forth the criteria by which the State will evaluate the quality of proposals from local agencies, organizations, and institutions; and

"(12) provide such further information and assurances as the Commissioner may by regulation require, including information regarding the extent to which the goals of the program have been achieved during the preceding three years.".

(f) Section 307 of that Act is amended to read as follows:

"PAYMENTS

"SEC. 307. The Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to that State. The Federal share shall be 90 per centum of the cost of carrying out the State's program, except that with respect to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, the Federal share shall be 100 per centum.".

(g) Section 308 of that Act is amended to read as follows:

"RESEARCH, DEVELOPMENT, DISSEMINATION, AND EVALUATION

"SEC. 308. (a) The Secretary shall directly, and through grants and contracts with public and private agencies, institutions and organizations, carry out a program—

"(1) to conduct research into problems in adult education,

"(2) to develop new and promising approaches to address those problems, including one-year grants to

States to plan for the expansion of their systems for the delivery of adult education services,

"(3) to evaluate the effectiveness of such approaches as well as the effectiveness of other programs assisted under this Act, and

"(4) to disseminate the results of those activities throughout the Nation.

"(b) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1983, such sums as may be necessary to carry out the purposes of this section.".

(h) Section 310(b) of that Act is amended to read as follows:

"(b) For the purpose of making grants under this section there are authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, 1983.".

(i) Section 313 of that Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 313. (a) There are authorized to be appropriated for the purposes of this title, in addition to any amounts authorized under sections 308 and 310, $90,750,000 for fiscal year 1979 and such sums as may be necessary for each of the four succeeding fiscal years.

"(b) There are further authorized to be appropriated for each such fiscal year such sums, not to exceed 5 per centum of the amount appropriated pursuant to subsection (a) for that year, as may be necessary to pay the cost of the administration and development of State plans, and other activities required pursuant to this title. The amount provided to a State under this subsection shall not be less than $50,000 for any fiscal year, except that such amount shall not be less than $25,000 in the case of Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.".

AMENDMENTS TO THE SPECIAL PROJECTS ACT

SEC. 302. (a) Section 3 of the Special Projects Act is amended to read as follows:

"AUTHORITY

"SEC. 3. (a) The Commissioner is authorized, during the period beginning July 1, 1975, and ending September 30, 1979, to make contracts with public and private agencies, organizations, associations, institutions, and with individuals, and to make grants to public and nonprofit private agencies, organizations, associations, and institutions, in order to carry out the purposes of this Act as set forth in section 2.

"(b) Funds appropriated for this Act shall be available for programs, projects, and activities to carry out the purposes set forth in section 2 and to carry out the programs authorized by sections 403 through 409 of the Education Amendments of 1974. In fiscal year 1979, the Commissioner shall use funds appropriated for the purposes of this Act to carry out each of the programs authorized by those sections.".

(b) Subsection (a) of section 4 of the Special Projects Act is amended to read as follows:

"(a) In order to enable the Commissioner to make grants and contracts under section 3, there are authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, 1979.".

(c) Subsection (b) of section 402 of the Education Amendments of 1974 is repealed.

(d) The amendments made by subsections (a), (b), and (c) of this section shall be effective on the date of enactment of this Act.

(e) Effective October 1, 1979, the Special Projects Act, and sections 402 through 409 of the Education Amendments of 1974, are repealed.

ENVIRONMENTAL EDUCATION

SEC. 303. (a) Section 7 of the Environmental Education Act is amended by striking out "and", and by inserting before the period at the end thereof the following: ", and such sums as may be necessary for fiscal year 1978 and each of the five succeeding fiscal years".

(b) Section 7 of the Environmental Education Act is further amended by adding at the end thereof the following new sentence: "Funds appropriated under this Act for any fiscal year shall remain available to the Commissioner for the duration of this Act in order to permit multiple-year funding of projects under this Act.".

(c) Section 3 (a) (2) of the Environmental Education Act is amended by inserting "energy," before "population".

(d) Section 3 (b) (2) (C) of the Environmental Education Act is amended by inserting "or groups of such agencies," after "agencies,".

(e) Section 3 (b) (2) (D) of the Environmental Education Act is amended by inserting after "ecology," the following "or to develop interdisciplinary strategies and programs of environmental quality and ecology,".

(f) Section 3 of the Environmental Education Act is amended by striking out subsection (c) thereof.

ALCOHOL AND DRUG ABUSE EDUCATION

SEC. 304. (a) The first sentence of section 3 (f) of the Alcohol and Drug Abuse Education Act is amended by striking out "and", and by inserting before the period at the end thereof the following: ", and such sums as may be necessary for fiscal year 1978 and each of the five succeeding fiscal years".

(b) Section 2 (b) of the Alcohol and Drug Abuse Education Act is amended—

(1) by striking out "curricula on" and inserting in lieu thereof "approaches to";

(2) by striking out "problems" the first place it appears therein and inserting in lieu thereof "prevention";

(3) by striking out "curricula" and inserting in lieu thereof "approaches";

(4) by striking out "curricula materials" and inserting in lieu thereof "successful approaches"; and

"(5) by striking out ", on drug abuse problems".

(c) (1) Section 3 (a) of the Alcohol and Drug Abuse Education Act is amended—

(A) by inserting "throughout the Nation" after "Education shall carry out";

(B) by striking out "projects" the first place it appears therein and inserting in lieu thereof "programs"; and

(C) by striking out "projects throughout the Nation" and inserting in lieu thereof "programs to develop local capability".

(2) (A) Section 3 (b) of the Alcohol and Drug Abuse Education Act is amended by striking out paragraph (1) thereof and by redesignating paragraph (2) through para-

graph (7) as paragraph (1) through paragraph (6), respectively.

(B) Section 3(b)(4) of the Alcohol and Drug Abuse Education Act, as so redesignated in subparagraph (A), is amended by inserting "prevention" after "abuse".

(3) Section 3 of the Alcohol and Drug Abuse Education Act is amended by adding at the end thereof the following new subsection:

"(g) Funds appropriated under this Act for any fiscal year shall remain available to the Commissioner for the duration of this Act in order to permit multiple-year funding of projects under this Act.".

(d) Section 8(c) of the Alcohol and Drug Abuse Education Act is amended by inserting "the Northern Mariana Islands," immediately after "the Virgin Islands,".

WOMEN'S EDUCATIONAL EQUITY

SEC. 305. (a) This section may be cited as the "Women's Educational Equity Act."

(b)(1) The Congress hereby finds and declares that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society.

(2) It is the purpose of this section to provide educational equity for women in the United States and to provide

financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Education Amendments of 1972.

(c) As used in this section, the term "Council" means the National Advisory Council on Women's Educational Programs.

(d) (1) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, and individuals for activities designed to achieve the purpose of this section at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. These activities may include—

(A) demonstration and developmental activities of national, statewide, or general significance, including—

(i) the development and evaluation of curricula, textbooks, and other educational materials related to educational equity,

(ii) model preservice and inservice training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity,

(iii) research and development activities designed to advance educational equity,

(iv) guidance and counseling activities, including the development of nondiscriminatory tests, designed to insure educational equity,

(v) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women, and

(vi) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration; and

(B) assistance to eligible entities to pay a portion of the costs of the establishment and operation, for a period of not to exceed two years, of programs and projects to provide equal opportunities for both sexes, including activities listed in clause (A), activities incident to achieving compliance with title IX of the Education Amendments of 1972 and other special activities designed to achieve the purposes of this section.

(2) For each fiscal year, the Commissioner shall use a portion of the funds available under this section to support activities described in clause (A) of paragraph (1).

(3) A grant may be made and a contract may be entered into under this section only upon application to the Commissioner, at such time, in such form, and containing

or accompanied by such information as the Commissioner may prescribe. Each such application shall—

(A) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(B) describe a program for carrying out one of the purposes set forth in subsection (d) which holds promise of making a substantial contribution toward attaining such purposes; and

(C) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application.

(4) Nothing in this section shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this section.

(e) In addition to the authority of the Commissioner under subsection (d), the Commissioner shall carry out a program of small grants, not to exceed $25,000, each, in order to support innovative approaches to achieving the purposes of this section; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals.

(f) The Commissioner shall establish criteria and priorities for awards under this section to insure that available funds are used for those purposes that most effectively will achieve the purposes of this section. Those criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

(g) (1) There is established in the Office of Education a National Advisory Council on Women's Educational Programs. The Council shall be composed of—

(A) seventeen individuals, some of whom shall be students, and who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals, broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

(B) the Staff Director of the Civil Rights Commission;

(C) the Director of the Women's Bureau of the Department of Labor; and

(D) the Director of the Women's Action Program of the Department of Health, Education, and Welfare.

The Council shall elect its own Chairperson from among the members indicated in clause (A).

(2) The term of office of each member of the Council appointed under clause (A) of paragraph (1) shall be three years, except that—

(A) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term.

(3) The Council shall—

(A) advise the Secretary, Assistant Secretary, and the Commissioner on matters relating to equal educational opportunities for women and policy matters relating to the administration of this section;

(B) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this section, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation;

(C) recommend criteria for the establishment of program priorities;

(D) make such reports as the Council determines appropriate to the President and the Congress on the activities of the Council; and

(E) disseminate information concerning the activities of the Council under this section.

(4) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

(h) The Commissioner is directed, at the end of each fiscal year, to submit to the President and the Congress and to the Council a report setting forth the programs and activities assisted under this section, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this section. After receiving the report from the Commissioner, the Council shall evaluate the programs and projects, assisted under this section and include such evaluation in its annual report.

(i) For the purposes of carrying out this section there are authorized to be appropriated such sums as may be necessary for fiscal year 1980 and each of the three succeeding fiscal years.

TITLE IV—AMENDMENTS TO THE EMERGENCY SCHOOL AID ACT

APPROPRIATIONS

SEC. 401. Section 704 of the Emergency School Aid Act is amended to read as follows:

"APPROPRIATIONS

"SEC. 704. (a) The Assistant Secretary shall, in accordance with the provisions of this title, carry out a program designed to achieve the purpose set forth in section 702(b).

There are authorized to be appropriated for the purposes of this title, to be apportioned among the States in accordance with section 705, $155,000,000 for fiscal year 1980 and for each of the three succeeding fiscal years.

"(b) There are further authorized to be appropriated for the purpose of this title such sums as may be necessary for fiscal year 1980 and each of the three succeeding fiscal years for special programs and projects under section 708 (a) and (c), and for evaluations under section 713. From the amount appropriated under this subsection for any fiscal year, the Assistant Secretary shall reserve $20,000,000 for the purpose of carrying out programs and projects described in section 708 (a) (1) through (3).".

APPORTIONMENT

SEC. 402. (a) Section 705 of that Act is amended to read as follows:

"APPORTIONMENT AMONG STATES

"SEC. 705. (a) (1) From the sums appropriated pursuant to section 704 (a) for any fiscal year, the Assistant Secretary shall apportion to each State for grants and contracts within the State $75,000 plus an amount which bears the same ratio to such sums as the number of minority group children aged five through seventeen, inclusive, in that State bears to the number of such children in all States, except that the amount apportioned to any State shall not be less than $100,000. The number of such children in each State and in all of the States shall be determined by the Assistant Secretary on the basis of the most recently available satisfactory data.

"(2) The Assistant Secretary shall reserve 11 per centum of the sums appropriated pursuant to subsection 704 (a) for the purpose of section 708 (b) to be apportioned to each State in accordance with paragraph (1) of this subsection.

"(b) (1) The amount by which any apportionment to a State for a fiscal year under subsection (a) exceeds the amount which the Assistant Secretary determines will be required for that fiscal year for programs and projects within that State shall be available either—

"(A) for reapportionment to other States for which the amount so apportioned is insufficient for approvable programs or projects for that fiscal year, or

"(B) for special programs and projects under section 708 (a),

whichever the Assistant Secretary determines will best achieve the purposes of this title. The Assistant Secretary shall distribute any amounts reapportioned among the States pursuant to clause (A) in proportion to the need of eligible applicants in each such State for approvable programs or projects.

"(2) The Assistant Secretary shall not fix a date for reapportionment, pursuant to this subsection, of any portion of any apportionment to a State for a fiscal year which date is earlier than one hundred and twenty days prior to the end of such fiscal year.

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, no portion of any apportionment to a State for a fiscal year shall be available for reapportionment pursuant to this subsection unless the Assistant Secretary determines that the applications for assistance under this title which have been filed by eligible applicants in that State for which a portion of such apportionment has not been reserved (but which would necessitate use of that portion) are applications which do not meet the requirements of this title, as set forth in sections 706, 707, and 710, or which set forth programs or projects of such insufficient promise for achieving the purposes of this title stated in section 702 (b) that their approval is not warranted.".

ELIGIBILITY

SEC. 403. (a) Section 706 (a) (1) of that Act is amended—

(1) by striking out the semicolon and "or" at the end of clause (D) and by inserting instead a period, and

(2) by striking out clause (E).

(b) Section 706 (b) is repealed.

AUTHORIZED ACTIVITIES

SEC. 404. Section 707 of that Act is amended to read as follows:

"AUTHORIZED ACTIVITIES

"SEC. 707. (a) The Assistant Secretary shall make sums appropriated under section 704 (a) for any fiscal year available for programs and projects designed to meet educational needs that arise from the implementation of a plan described in section 706 (a). Those programs and projects may include, but are not limited to—

"(1) the training of school staff and local educational agency staff in the handling of problems incident to the implementation of a qualifying plan;

"(2) the provision of additional staff members (including teacher aides) to assist in meeting educational needs that arise from the implementation of the plan;

"(3) the development or acquisition of new curricula, methods, practices, techniques, or materials to support a program of instruction for children from all racial, ethnic, and economic backgrounds, including instruction in the language and cultural heritage of minority groups;

"(4) innovative educational activities, including extracurricular activities, which involve the joint participation of minority group children and other children;

"(5) community relations activities, including public information efforts, in support of the implementation of a qualifying plan;

"(6) planning, evaluation, dissemination, and other administrative activities directly related and necessary to other activities in the program or project;

"(7) repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of instructional equipment) and the lease or purchase of mobile classroom units or other mobile education facilities, where necessary to carry out other activities in the program or project;

"(8) the provision of compensatory services to children who have received such services under title I of the Elementary and Secondary Education Act of 1965 but who are no longer eligible to receive those services as a result of attendance area changes under a qualifying plan; and

"(9) activities to prevent or eliminate recurring or continuing problems resulting from the implementation of a qualifying plan.

"(b) In recruiting and hiring teacher aides to assist in carrying out a program or project under this section, the local educational agency shall give preference to parents of children affected by the implementation of a qualifying plan.".

SPECIAL PROGRAMS AND PROJECTS

SEC. 405. (a) Section 708 of that Act is amended to read as follows:

"SEC. 708. (a) From the amount appropriated for any fiscal year under section 704 (b), the Assistant Secretary is authorized to make grants to, and contracts with, State and local educational agencies, and other public and nonprofit agencies and organizations (or a combination of such agencies and organizations) for the purpose of carrying out activities which the Assistant Secretary determines will make substantial progress toward achieving the purposes of this title, including, but not limited to—

"(1) the planning for, design of, and conduct of programs in magnet schools;

"(2) the pairing of schools and programs with institutions of higher education and with businesses;

"(3) the development of plans for neutral schools;

"(4) activities designed to meet the needs of minority group children with limited English language skills enrolled in the schools of a local educational agency eligible for assistance under section 706; and

"(5) the development and production of integrated children's television programs of cognitive and effective educational value, as described in section 711.

"(b) From the sums reserved pursuant to section 705(a)(2), the Assistant Secretary, in cases in which it would effectively carry out the purpose of this title stated in section 702(b), may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) to carry out programs or projects designed to support the development or implementation of a plan described in section 706(a).

"(c)(1) From the amount available for the purposes of this section for each fiscal year, the Assistant Secretary shall carry out a program of making grants to State educational agencies, or other State agencies involved in or responsible for the desegregation of public elementary and secondary schools, to pay a portion of the cost of State activities related to—

"(A) planning (i) for the implementation of voluntary plans to eliminate or reduce minority group isolation in those schools, and (ii) to assess future needs and to develop further strategies to meet those needs;

"(B) providing technical assistance to encourage local educational agencies or groups of those agencies to develop or implement voluntary plans to eliminate or reduce minority group isolation in those schools; and

"(C) providing training for educational personnel involved in developing or carrying out a voluntary plan to eliminate or reduce minority group isolation in those schools.

"(2) The amount of assistance made available to a State under this subsection for any fiscal year shall be twice the amount of State funds expended in the preceding fiscal year for the activities listed in paragraph (1). The amount provided to a State under this section for any fiscal year shall not exceed—

"(A) 10 per centum of the amount apportioned to the State for that fiscal year under section 705, or

"(B) $500,000,

whichever is greater.

"(3) No grant may be made to a State under this subsection unless the application for that grant has been developed in consultation with teachers, educators, parents (including parents of minority group children), and representatives of the general public (including representatives of minority groups), of whom the proportion of minority group individuals shall be approximately the same as the proportion of minority group children enrolled in the elementary and secondary schools in the State.".

APPLICATIONS

SEC. 406. Section 410 of that Act is amended to read as follows:

"APPLICATIONS

"SEC. 710. (a) Any local educational agency desiring to receive assistance under this title shall submit to the Assistant Secretary, at such time, in such form, and containing such information as the Assistant Secretary may prescribe, an application describing the activities to be carried out under the application during the period, not to exceed five academic years, for which assistance is being sought. That application, together with all correspondence and other written materials relating thereto, shall be made readily available to the public by the applicant and by the Assistant Secretary. The Assistant Secretary may approve an application only upon a determination that such application—

"(1) has been developed—

"(A) in open consultation with parents, teachers and, where applicable, secondary school students, including at least one public hearing at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereupon, and

"(B) with the participation of a committee composed of parents of children enrolled in the applicant's schools, teachers and, where applicable, secondary school students, of which at least half the members shall be such parents, and at least half shall be persons from minority groups;

"(2) sets forth such policies and procedures as will insure that the program for which assistance is sought will be operated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of clause (2) (B);

"(3) sets forth such policies and procedures, and contains such information, as will insure that funds paid to the applicant under the application will be used solely to pay the additional cost to the applicant in carrying out the program described in the application;

"(4) contains such assurances and other information as will insure that the program for which assistance is sought will be administered by the applicant, and that any funds received by the applicant, and any property derived therefrom, will remain under the administration and control of the applicant;

"(5) provides that the plan with respect to which such agency is seeking assistance (as specified in section 706(a)(1)(A)) does not involve freedom of choice as a means of desegregation, unless the Assistant Secretary determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

"(6) provides assurances that such agency will carry out, and comply with, all provisions, terms, and conditions of any plan, as described in section 706, upon which a determination of its eligibility for assistance under this title is based;

"(7) sets forth such policies and procedures, and contains such information, as will insure that funds made available to the applicant (A) under this title will be so used (i) as to supplement the level of funds that would, in the absence of such funds, be made available from non-Federal sources for the purposes of the program for which assistance is sought, and for promoting the integration of the schools of the applicant, and for the education of children participating in such program, and (ii) in no case, as to supplant such funds from non-

Federal sources, and (B) under any other law of the United States will, in accordance with standards established by regulation, be used in coordination with such programs to the extent consistent with such other law, except that nothing in this clause shall prohibit the use of funds under this title for otherwise authorized activities required under a court-ordered plan described in section 706(a) (1) (A) (i);

"(8) provides that (A) to the extent consistent with the number of minority group children in the area to be served who are enrolled in private nonprofit elementary and secondary schools which are operated in a manner free from discrimination on the basis of race, color, or national origin, and which do not serve as as alternatives for children seeking to avoid attendance in desegregated or integrated public schools, whose participation would assist in achieving the purpose of this title stated in section 702(b), provides assurance that such agency (after consultation with the appropriate private school officials) has made provision for their participation on an equitable basis, and (B) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose of this title stated in section 702 (b), such agency (after consultation with the appropriate private school officials) has made provisions for their participation on an equitable basis;

"(9) provides that the applicant has not reduced its fiscal effort per student or the aggregate expenditure for the provision of free public education for children in attendance at the schools of such agency for the fiscal year for which assistance is sought under this title to less than that of the second preceding fiscal year;

"(10) provides that the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the Assistant Secretary;

"(11) sets forth effective procedures, including provisions for objective measurement of change in educational achievement and other change to be effected by programs conducted under this title, for the continuing evaluation of programs under this title, including their effectiveness in achieving clearly stated program goals, their impact on related programs and upon the community served, and their structure and mechanisms for the delivery of services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects;

"(12) provides (A) that the applicant will make periodic reports at such time, in such form, and containing such information as the Assistant Secretary may prescribe, including, in the case of reports relating to performance, that the reports be consistent with specific criteria related to the program objectives and (B) that the applicant will keep such records and afford such access thereto as—

"(i) will be necessary to insure the correctness of such reports and to verify them, and

"(ii) will be necessary to insure the public adequate access to such reports and other written materials; and

"(13) provides that the applicant, in developing the program or project for which it seeks assistance, has considered the need for compensatory services for children who received those services under title I of the Elementary and Secondary Education Act of 1965, but who are no longer eligible to receive those services as a result of attendance area changes under a qualifying plan.

"(b) No application under this section may be approved which is not accompanied by the written comments of a committee established pursuant to clause (2) (B) of subsection (a). The Assistant Secretary shall not approve an application without first affording the committee an opportunity for an informal hearing if the committee requests such a hearing.

"(c) In approving applications submitted under this title (except for those submitted under sections 708(b) and 713) the Assistant Secretary shall apply the following criteria:

"(1) the need for assistance based on the expense or difficulty of effectively carrying out a plan described in section 706(a) and the program or project for which assistance is sought;

"(2) the degree to which implementation of the plan described in section 706(a) has effected or will effect a decrease in minority group isolation in minority group isolation schools;

"(3) the recentness of the implementation of the plan described in section 706(a);

"(4) the degree to which the program or project for which assistance is sought affords promise of achieving the purposes of this title; and

"(5) the degree to which the plan described in section 706 involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

"(d) (1) An application of a local educational agency for assistance under this title may cover a period of from one to five years. A new application shall be required for any assistance under this title for years subsequent to that period. The Assistant Secretary shall base the decision as to the length of time for which an application will be approved on—

"(A) the severity of the problems addressed by the program or project for which assistance is being sought;

"(B) the nature of the activities proposed in the application;

"(C) the likely duration of the problems addressed by the application; and

"(D) such other criteria, established by the Assistant Secretary, as will assure the most effective use of this title.

"(2) If the Assistant Secretary approves an application of a local educational agency under the title for a period covering more than one fiscal year, no subsequent application shall be required from that agency in any fiscal year during that period unless the agency proposes to carry out, in any such fiscal year, activities not included in the approved application. However, payments to any such agency for any fiscal year subsequent to the first fiscal year for which the application has been approved shall be made only if—

"(A) sufficient appropriations are available for making payments in each such subsequent fiscal year;

"(B) the Secretary determines that the agency is not ineligible for assistance under section 706(d) in each subsequent fiscal year; and

"(C) the agency demonstrates, by such means as the Assistant Secretary may prescribe, that satisfactory progress is being made toward achieving the objectives of the program or project for which assistance has been made available under this title.

"(e) The Assistant Secretary shall not give less favorable consideration to the application of a State or local educational agency (including an agency currently classified as legally desegregated by the Secretary) which has voluntarily adopted a plan qualified for assistance under this title (due only to the voluntary nature of the action) than to the application of a local educational agency which has been legally required to adopt such a plan.

"(f) The Assistant Secretary may, from time to time, set dates by which applications shall be filed.

"(g) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this title, at least one such agency shall be a local educational agency described in section 706 (a) and any one or more of such agencies joining in such application may be authorized to administer such program or project.

"(h) No State shall reduce the amount of State aid with respect to the provision of free public education in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this title.".

MISCELLANEOUS AND CONFORMING AMENDMENTS

SEC. 407. (a) (1) Section 711 of that Act is amended by striking out subsection (a) and redesignating subsection (b) as subsection (a).

(2) Section 711 of that Act is further amended by adding at the end thereof the following new subsection:

"(b) Grants and contracts pursuant to subsection (a) may be made from funds available to carry out section 708 (a) of this Act.".

(b) Section 712 (c) (1) of that Act is amended—

(1) in the first sentence by striking out "or in the case of an application under section 708 (c) would assist in meeting the needs described in that section"; and

(2) by striking out the last sentence thereof and inserting instead "The Assistant Secretary shall pay the

cost of such arrangements from such State's allotment or, in the case of an application under section 708 (a), from the sums available to the Assistant Secretary under section 704 (b) for the purpose of that subsection.".

(c) The first sentence of section 713 of that Act is amended to read as follows: "From the amount appropriated under section 704 (b) for any fiscal year, the Assistant Secretary is authorized to reserve for the purpose of this section not to exceed 1 per centum of the amount appropriated under this title for that fiscal year.".

(d) Section 714 of that Act is repealed.

(e) Section 717 of that Act is amended to read as follows:

"GENERAL PROVISIONS

"SEC. 717. The General Education Provisions Act shall apply to the program of Federal assistance authorized under this title. The Assistant Secretary shall have the authority vested in the Commissioner of Education by that Act with respect to such program.".

(g) (1) Section 720 of that Act is amended by striking out paragraphs (2) and (7) and by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (2), (3), (4), and (5) and by redesignating paragraphs (8) through (17) as paragraphs (6) through (15), respectively.

(2) Section 720(14) of that Act (as so redesignated) is amended by inserting "the Northern Mariana Islands" immediately after "the Virgin Islands".

TITLE V—GENERAL EDUCATION PROVISIONS

MISCELLANEOUS AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

National Center for Educational Statistics

SEC. 501. (a) Section 406(h) of the General Education Provisions Act is amended by striking out "October 1, 1978" both places it appears therein, and by inserting instead "October 1, 1983".

Authority of the Administrative Heads of Education Agencies

(b) (1) Section 408(a) of that Act is amended by inserting "or by delegation of authority pursuant to law" immediately after "vested in him by law".

(2) Section 408(a)(1) of that Act is amended by striking out "governing the manner of operation of" and by inserting in lieu thereof "governing the applicable programs administered by".

(3) Section 408(c) of that Act is amended by striking out "For the purposes of this section" and by inserting in lieu thereof "For the purposes of this title".

Availability of Appropriations

(c) (1) Section 412 (b) of that Act is amended by striking out "ending prior to October 1, 1979,".

(2) Section 412 (b) of that Act is further amended by inserting "(1)" immediately after the subsection designation thereof and by inserting at the end of subsection (b) the following new paragraph:

"(2) Any funds under any applicable program which, pursuant to paragraph (1), are available for obligation and expenditure in the year succeeding the fiscal year for which they were appropriated shall be obligated and expended in accordance with—

"(A) the Federal statutory and regulatory provisions relating to that program which are in effect for that succeeding fiscal year, and

"(B) any program plan or application submitted by those educational agencies or institutions for that program for that succeeding fiscal year.".

(d) Section 431A of that Act is repealed.

REGULATIONS

Sec. 502. (a) Section 431 (a) of the General Education Provisions Act is amended to read as follows:

"(a) (1) The requirements of section 553 of title 5, United States Code, apply to the promulgation of regulations issued by the Department of Health, Education, and Welfare or the Commissioner of Education, or by any official of those agencies in connection with, or affecting, the administration of any applicable program.

"(2) For the purposes of this section, the term 'regulation' means any rule, as defined in section 551 (4) of title 5, United States Code.".

(b) Section 431 (b) of that Act is amended to read as follows:

"(b) This section shall not apply to any guidelines, manuals, or other issuances of an administrative head of an education agency in connection with, or affecting, the administration of an applicable program if such guidelines, manuals, or other issuances are merely for the purpose of assisting recipients and other interested persons in understanding and applying the requirements relating to applicable programs and do not establish binding requirements or interpretations respecting those programs.".

(c) Section 431 (b) of that Act is further amended by striking out subsection (d) through (g).

STATE AND LOCAL ADMINISTRATION

SEC. 503. (a) Part C of the General Education Provisions Act is amended by striking out sections 434, 435, 436, and 437 and by inserting in lieu thereof the following new subpart:

"Subpart 3—Administration of Education Programs and Projects by States and Local Educational Agencies

"STATE EDUCATIONAL AGENCY MONITORING AND ENFORCEMENT

"SEC. 434. (a) In the case of any applicable program in which Federal funds are made available to local agencies in a State through or under the supervision of a State board or agency, the Commissioner may require the State to submit a plan for monitoring compliance by local agencies with Federal requirements under that program and for enforcement by the State of those requirements. The Commissioner may require that plan to provide—

"(1) for periodic visits by State personnel of programs administered by local agencies to determine whether those programs are being conducted in accordance with those requirements;

"(2) for periodic audits of expenditures under those programs by auditors of the State or other auditors not under the control, direction, or supervision of the local educational agency; and

"(3) that the State investigate and resolve all complaints received by the State, or referred to the State by the Commissioner, relating to the administration of those programs.

"(b) In order to enforce those requirements the State may—

"(1) withhold approval, in whole or in part, of the application of a local agency for funds under the program until the State is satisfied that those requirements will be met; except that the State shall not finally disapprove such an application unless the State provides the local agency an opportunity for a hearing by an impartial hearing officer and that officer determines that there has been a substantial failure by the local agency to comply with any of those requirements;

"(2) suspend payments to any local agency, in whole or part, under the program if the State has reason to believe that the local agency has failed substantially to comply with any of those requirements; except that (A) the State shall not suspend those payments until fifteen days after the State provides the local agency an opportunity to show cause why that action should not be taken and (B) no such suspension shall continue in effect longer than sixty days unless the State within that period provides the notice for a hearing required under paragraph (3) of this subsection;

"(3) withhold payments, in whole or in part, under any such program if the State finds, after reasonable notice and opportunity for a hearing before an impartial hearing officer, that the local agency has failed substantially to comply with any of those requirements;

Any withholding of payments under paragraph (3) of this subsection shall continue until the State is satisfied that there is no longer a failure to comply substantially with any of those requirements.

"SINGLE STATE APPLICATION

"SEC. 435. (a) Each State which desires to participate in programs authorized under—

"(1) title I of the Elementary and Secondary Education Act of 1965,

"(2) title IV of the Elementary and Secondary Education Act of 1965,

"(3) the Adult Education Act,

"(4) part B of the Education of the Handicapped Act,

"(5) part A of the Vocational Education Act of 1963,

"(6) the Library Services and Construction Act, or

"(7) any other applicable program designated by the Commissioner for the purposes of this section under which Federal funds are made available for use within the State, or for distribution to agencies or institutions within the State under the supervision of a State agency or board,

shall submit to the Commissioner a general application containing the assurances set forth in subsection (b). That application may be submitted jointly for all programs covered by the application, or it may be submitted separately for each such program or for groups of programs. Each application submitted under this section must be approved by each official, agency, board, or other entity within the State which, under State law, primarily is responsible for supervision of the activities conducted under each program covered by the application.

"(b) An application submitted under subsection (a) shall set forth assurances, satisfactory to the Commissioner—

"(1) that each program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2) that the control of funds provided under each program and title to property acquired with program funds will be in a public agency, or in a nonprofit private agency, institution, or organization if the statute authorizing the program provides for grants to those entities, and that the public agency or nonprofit private agency, institution, or organization will administer those funds and property;

"(3) that the State will adopt and use proper methods of administering each covered program, including—

"(A) monitoring of agencies, institutions, and organizations responsible for carrying out each program, and the enforcement of any obligations imposed on those agencies, institutions, and organizations under law,

"(B) providing technical assistance, where necessary, to those agencies, institutions, and organizations,

"(C) encouraging the adoption by those agencies, institutions, and organizations, of promising or innovative educational techniques,

"(D) the dissemination throughout the State of information on program requirements and successful practices, and

"(E) the correction of deficiencies in program operations that are identified through monitoring or evaluation:

"(4) that the State will evaluate the effectiveness of covered programs in meeting their statutory objectives, at such intervals (not less often than once every three years) and in accordance with such procedures as the Commissioner may prescribe by regulation, and that the State will cooperate in carrying out any evaluation of each program conducted by or for the Secretary or other Federal official;

"(5) that the State will use fiscal control and fund accounting procedures that will insure proper disbursement of, and accounting for, Federal funds paid to the State under each program;

"(6) that the State will make reports to the Commissioner (including reports on the results of evaluations required under paragraph (4)) as may reasonably be necessary to enable the Commissioner to perform his duties under each program, and that the State will maintain such records, in accordance with the requirements of section 437 of this title, and afford access to the records as the Commissioner may find necessary to carry out his duties;

"(7) that except as may be provided under subsection (d), the amount of funds from State and local sources made available in the State for current expenditures for free public elementary and secondary education, adult education, education of the handicapped, vocational education, and public library services in the fiscal year preceding the fiscal year for which assistance is received under each program was not less for each of those purposes than the amount made available in the State from State and local sources for each of those purposes in the second preceding fiscal year; and

"(8) that the State will provide reasonable opportunities for the participation by local agencies, representatives of the class of individuals affected by each program, and other interested institutions, organizations, and individuals to participate in the planning for and operation of each program, including the following:

"(A) The State shall consult with relevant advisory committees, local agencies, interest groups, and experienced professionals in the development of program plans required by statute.

"(B) The State shall publish each proposed plan, in a manner that will insure circulation throughout the State, at least sixty days prior to the date on which the plan is submitted to the Commissioner or on which the plan becomes effective, whichever occurs earlier, with an opportunity for public comments on that plan to be accepted for at least thirty days.

"(C) The State shall hold public hearings on the proposed plans if required by the Commissioner by regulation.

"(D) The State shall provide an opportunity for interested agencies, organizations, and individuals to suggest improvements in the administration of the program and to allege that there has been a failure by any entity to comply with applicable statutes and regulations.

"(c) Each general application submitted under this section shall remain in effect for the duration of any programs it covers. The Commissioner shall not require the resubmission or amendment of that application unless required by changes in Federal or State law or by other significant change in the circumstances affecting an assurance in that application.

"(d) (1) In determining compliance by any State with the requirements of paragraph (7) of subsection (b), except with respect to public library services, the Commissioner may determine amounts expended in the State for each purpose stated in that paragraph on the basis of aggregate expenditures in the State for each such purpose or the average amount expended per pupil for each such purpose.

"(2) The Commissioner may waive, for any fiscal year, the requirements of paragraph (7) of subsection (b) if he determines that such a waiver would be equitable due to exceptional circumstances in the State such as those resulting from decreasing enrollments, declining fiscal resources of State or local agencies, or natural disasters. If the Commissioner grants a waiver under this paragraph, he may reduce the amount of the Federal payment for the program affected for the current fiscal year in the proportion to which the amount expended (either on an average per pupil or aggregate basis) was less than the amount necessary to have met the requirement of paragraph (7) of subsection (b).

"SINGLE LOCAL EDUCATIONAL AGENCY APPLICATION

"SEC. 436. (a) Each local educational agency which participates in an applicable program under which Federal funds are made available to that agency through a State agency or board shall submit to that agency or board a general application containing the assurances set forth in subsection (b). That application shall cover the participation by that local educational agency in all such programs.

"(b) The general application submitted by a local educational agency under subsection (a) shall set forth assurances—

"(1) that the local educational agency will administer each program covered by the application in accordance with all applicable statutes, regulations, program plans, and applications;

"(2) that the control of funds provided to the local educational agency under each program and title to property acquired with those funds, will be in a public agency and that a public agency will administer those funds and property;

"(3) that the local educational agency will use fiscal control and fund accounting procedures that will insure proper disbursement of, and accounting for, Federal funds paid to that agency under each program;

"(4) that the local educational agency will make reports to the State agency or board and to the Commissioner as may reasonably be necessary to enable the State agency or board and the Commissioner to perform their duties and that the local educational agency will maintain such records, including the records required under section 437, and give access to those records, as the State agency or board or the Commissioner deem necessary to perform their duties;

"(5) that the local educational agency will provide reasonable opportunities for the participation by teachers, parents, and other interested agencies, organizations, and individuals in the planning for and operation of each program;

"(6) that any application, evaluation, periodic program plan or report relating to each program will be made readily available to parents and other members of the general public;

"(7) that in the case of any project involving construction—

"(A) the project is not inconsistent with overall State plans for the construction of school facilities,

"(B) in developing plans for construction, due consideration will be given to excellence of architecture and design and to compliance with standards prescribed by the Secretary under section 504 of the Rehabilitation Act of 1973 in order to insure that facilities constructed with the use of Federal funds are accessible to and usable by handicapped individuals; and

"(9) that the local educational agency has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through those projects.

"(c) A general application submitted under this section shall remain in effect for the duration of the programs it covers. The State agencies or boards administering the programs covered by the application shall not require the resubmission or amendment of that application unless required by changes in Federal or State law or by other significant change in the circumstances affecting an assurance in that application.".

(b) Part C of the General Education Provisions Act is further amended by inserting immediately after section 436 the following:

"Subpart 4—Records; Privacy; Limitation on Withholding Federal Funds

"RECORDS

"SEC. 437. (a) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement (other than procurement contracts awarded by an administrative head of an educational agency) shall keep records which fully disclose the amount and disposition by the recipient of those funds, the total cost of the activity for which the funds are used, the share of that cost provided from other sources, and such other records as will facilitate an effective audit. The recipient shall maintain those records for five years after the completion of the activity for which the funds are used.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit examination, to any records of a recipient which may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements to which reference is made in subsection (a), or which may relate to the compliance of the recipient with any requirement of an applicable program.".

ENFORCEMENT

SEC. 504. The General Education Provisions Act is amended by adding at the end thereof the following new part:

"PART E—ENFORCEMENT

"EDUCATION APPEAL BOARD

"SEC. 451. (a) The Commissioner shall establish in the Office of Education an Education Appeal Board (hereinafter in this part referred to as the 'Board') the functions of which shall be to conduct—

"(1) audit appeal hearings pursuant to section 452 of this Act,

"(2) withholding hearings pursuant to section 453 of this Act,

"(3) cease and desist hearings pursuant to section 454 of this Act, and

"(4) other proceedings designated by the Commissioner.

"(b) The members of the Board shall be designated by the Commissioner and may include individuals who are officers or employees of the United States as well as individuals who are not full-time employees of the Federal Government. The Commissioner shall designate one of the members of the Board to be the Director of the Board. For the purpose of conducting hearings as provided in subsection (a), the Director of the Board may appoint hearing panels of not less than three members of the Board, or the Director may designate the entire Board to sit as a panel for any case or class of cases. The Director of the Board shall designate one member of each such panel to be the presiding officer. Hearing panels so appointed shall have full authority to act for the Board.

"(c) The proceedings of the Board shall be conducted according to such rules as the Commissioner shall prescribe by regulation respecting—

"(1) the receipt of oral or written testimony,

"(2) notice of the issues to be considered,

"(3) the right to counsel,

"(4) intervention of third parties,

"(5) transcripts of proceedings, and

"(6) such other matters as may be necessary to carry out the functions of the Board.

"(d) If there has been established within the Department of Health, Education, and Welfare an appeal board which the Commissioner determines is capable of carrying out the functions of the Board established under this section, he may, with the approval of the Secretary, designate that Department appeal board to carry out the functions of this section.

"AUDIT DETERMINATIONS

"SEC. 452. (a) Whenever the Commissioner determines that an expenditure not allowable under a program listed in section 435(a) of this title has been made by a State or by a local educational agency, or that a State or local educational agency has otherwise failed to discharge its obligation to account for funds under any such program, the Commissioner shall give that State or local educational agency written notice of a final audit determination, and he shall at the same time notify that State or agency of its right to have that determination reviewed by the Board.

"(b) A State or a local educational agency that has received written notice of a final audit determination and that desires to have that determination reviewed by the Board shall submit to the Board an application for review not later than thirty days after receipt of notification of the final audit determination. The application for review shall be in the form and contain the information specified by the Board.

"(c) When a State or a local educational agency has submitted an application for review with respect to a final audit determination, no action shall be taken by the Commissioner to collect the amount determined to be owing until the Board has issued a final decision upholding the audit determination. The filing of such an application shall not affect the authority of the Commissioner to take any other adverse action against that State or agency under this part.

"(d) A decision of the Board with respect to an application for review under this section shall become final unless within sixty days following receipt by the State or by the local educational agency of written notice of the decision—

"(1) the Commissioner for good cause shown, modifies or sets aside the decision, in whole or in part, in which case the decision shall become final sixty days after that action by the Commissioner, or

"(2) the State or the local educational agency files a petition for judicial review as provided in section 455 of this Act.

"(e) A final audit determination by the Commissioner under subsection (a) with respect to which review has not been requested pursuant to subsection (b), or a final decision of the Board under this section upholding a final audit determination against a State or a local educational agency shall establish the amount of the audit determination as a claim of the United States which the State or the local educational agency shall be required to pay to the United States and which may be collected by the Commissioner in accordance with the Federal Claims Collection Act of 1966.

"(f) (1) Notwithstanding any other provisions of law, the Commissioner may, subject to the notice requirements of paragraph (2), compromise any claim established under this section where the Commissioner determines that (A) the collection of any or all of the amount thereof would not be practical or in the public interest, and (B) the practice which resulted in the claim has been corrected and will not recur.

"(2) Not less than forty-five days prior to the exercise of the authority to compromise a claim pursuant to paragraph (1), the Commissioner shall publish in the Federal Register a notice of his intention to do so. That notice shall provide interested persons an opportunity to comment on any proposed action under this subsection through the submission of written data, views, or arguments.

"(g) No State and no local educational agency shall be liable to refund any amount expended under an applicable program which is determined to be unauthorized by law, if that expenditure was made more than five years before that

State or local educational agency is given the notice required by subsection (a).

"WITHHOLDINGS

"SEC. 453. (a) Whenever the Commissioner has reason to believe that any recipient of funds under any applicable program (other than a program to which regulations promulgated under section 497A of the Higher Education Act of 1965 apply), has failed to comply substantially with any requirement of law applicable to those funds, he shall notify that recipient in writing of his intention to withhold, in whole or in part, further payments under that program, including payments for State or local administrative costs, until he is satisfied that the recipient no longer fails to comply with those assurances or other terms.

"(b) The notification required under subsection (a) shall state (1) the facts upon which the Commissioner has based his belief and (2) a notice of opportunity for a hearing to be held on a date at least thirty days after the notification has been sent to the recipient. The hearing shall be held before the Board and shall be conducted in accordance with rules prescribed pursuant to section 451 (c) of this Act.

"(c) Pending the outcome of any proceeding initiated under this section, the Commissioner may suspend payments to such a recipient, after such recipient has been given reasonable notice and opportunity to show cause why that action should not be taken.

"(d) The decision of the Board in any proceeding brought under this section shall become final unless within sixty days following receipt by the recipient of written notice of the decision—

"(1) the Commissioner for good cause shown, modifies, or sets aside the decision in whole or in part, in which case the decision as modified shall become final sixty days after that action by the Commissioner, or

"(2) the recipient files a petition for judicial review as provided in section 455 of this Act.

"CEASE AND DESIST ORDERS

"SEC. 454. (a) Whenever the Commissioner has reason to believe that any State or any local educational agency that receives funds under any applicable program has failed to comply substantially with any requirement of law applicable to those funds, in lieu of proceeding under section 453 of this Act, he may issue and cause to be served upon that State or upon that local educational agency a complaint (1) stating the charges upon which his belief is based and (2) containing a notice of a hearing to be held before the Board on a date at least thirty days after the service of that complaint.

"(b) The State or the local educational agency upon which such a complaint has been served shall have the right to appear before the Board on the date specified and to show cause why an order should not be entered by the Board requiring that State or that local educational agency to cease and desist from the violation of law charged in the complaint.

"(c) The testimony in any hearing held under this section shall be reduced to writing and filed with the Board. If upon that hearing the Board shall be of the opinion that the State or the local educational agency is in violation of any requirement of law as charged in the complaint, it shall make a report in writing stating its findings of fact and shall issue and cause to be served upon that State or that local educational agency an order requiring the State or the local educational agency to cease and desist from the practice, policy, or procedure which resulted in that violation.

"(d) The report and order of the Board shall become final on the sixtieth day following the date upon which the order of the board was served upon the State or the local educational agency unless before that day the State or local educational agency files a petition for judicial review as provided in section 455 of this Act.

"(e) A final order of the Board under this section may be enforced, as determined by the Commissioner, by—

"(1) the withholding of any portion of the amount payable, including amounts payable for administrative costs, under the affected program to the State or the local educational agency against which the final order has been issued, or

"(2) the Commissioner certifying the facts to the Attorney General whose duty it shall be to cause appropriate proceeding to be brought for the enforcement of the order.

"JUDICIAL REVIEW

"SEC. 455. (a) Any recipient of funds under an applicable program that would be adversely affected by any action under section 452, 453, or 454 of this Act, and any State entitled to receive funds under a program listed in section 435 (a) of this title whose application therefor has been disapproved by the Commissioner, shall be entitled to judicial review of that action in accordance with the provision of this section.

"(b) Any State, local educational agency, or other recipient entitled to judicial review under subsection (a) that desires such review of any action by the Commissioner or the Board qualifying for review under this section shall, within sixty days of that action, file with the United States Court of Appeals for the circuit in which that State, local educational agency, or other recipient is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which the action was based, as provided in section 2112 of title 28, United States Code.

"(c) The findings of fact by the Board, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Board to take further evidence, and the Board may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(d) The court shall have jurisdiction to affirm the action of the Board or the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari for certification as provided in section 1254 of title 28, United States Code.".

CONFORMING AMENDMENT

SEC. 505. Section 497A (a) of the Higher Education Act of 1965 is amended by striking out "or of section 434 (c) of the General Education Provisions Act,".

EFFECTIVE DATES

SEC. 506. The amendments made by sections 501 and 502 of this title shall be effective upon the enactment of this Act. The amendments made by section 503 shall be effective with respect to appropriations for fiscal year 1980 and subsequent fiscal years. The amendments made by section 504 shall be effective one hundred and twenty days after the enactment of this Act.

STATEMENT OF HON. JOSEPH A. CALIFANO, JR., SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Secretary CALIFANO. Mr. Chairman, it is a pleasure to be here before this committee and to appear before you personally, since you have had so much to do with the beginning of the Elementary, Secondary and Vocational Education Act some 13 years ago in 1965 through today.

I have with me, Mr. Chairman, Mr. Michael O'Keefe on my left, who is the Deputy Assistant Secretary for Planning and Evaluation in Education, who will be with me throughout the hearing. I also have Dr. Boyer, the Commissioner of Education on my right; Dr. Berry, the Assistant Secretary for Education and Dr. Graham, the Director of the National Institute of Education.

They are also required to testify before the Appropriations Subcommittees this afternoon, so they will have to leave before we conclude.

Mr. Chairman, I would like to submit my entire statement and the appendix for the record.

Chairman PERKINS. Without objection, your entire statement will be inserted.

Secretary CALIFANO. I would like to note one point with respect to that appendix which is not correct; the statement says there will be a consolidation of the environmental education program, folding it into the special projects legislation. That is not correct. I had indicated to the chairman, and I had indicated to Congressman Brademas some time ago we would not do that, so that part of the proposal is not correct.

Mr. BRADEMAS. Mr. Chairman, I must say I am very grateful to the Secretary for that assurance. Do I take it that you have made that point with respect both to the Environmental Education Act and the Alcohol and Drug Abuse Education Act?

Secretary CALIFANO. That is correct, Mr. Brademas. We had had a conversation about this some time ago.

Mr. BRADEMAS. I am very grateful to the Secretary.

Secretary CALIFANO. I would like to read portions of my statement.

Chairman PERKINS. You go ahead and proceed any way you wish.

Secretary CALIFANO. Thank you, sir.

It is a great personal privilege to discuss with you today President Carter's proposals for reauthorizing the Federal elementary and secondary education programs. This subcommittee has long exercised outstanding leadership in fashioning needed reforms that have upgraded education for millions of America's young.

You, especially, Mr. Chairman, know better than almost anyone in this room that equal opportunity in life is impossible without dedicated teachers, strong school administrators, and excellent systems of education for the children of our Nation.

The subcommittee's carefully conducted oversight hearings on elementary and secondary education, the most extensive in more than a decade, have been a great resource to the administration as we have prepared our reauthorization proposals and we are grateful to the subcommittee and its extraordinary staff for the cooperation we have received during the past months as we have sought advice and counsel.

As I noted this morning, Mr. Chairman, I do not think that we have ever worked better or more effectively with any staff on the Hill, than my staff has worked over the past several months with your subcommittee staff. And, without committing them to all the points that we have in this legislation, it is a far more sophisticated and effective proposal than it ever was, or would have been, without their help.

Today, this subcommittee, the Congress, and the American people know that education has no better friend than President Carter. Like you, the President understands the incalcuable value of elementary and secondary education. Like you, he knows that we must do more to insure that all of our children develop their capacities to the utmost through the educational process. And, like you, he is committed to a critical, catalytic, and supporting role for the Federal Government that complements the traditional State and local control of elementary and secondary education.

The reauthorization of the elementary and secondary education programs allows Congress and the Executive to reassess and then reestablish the Federal educational agenda. We welcome the opportunity to work jointly with you on that important task.

Underlying the varied legislative changes in the Elementary and Secondary Education Act suggested by the President are four central and interrelated concerns that define the Federal priorities in elementary and secondary education.

First: We reaffirm the Federal Government's firm commitment, established over the last 15 years in good measure thanks to your leadership and to the leadership of this committee, to programs that insure access and equal educational opportunity to disadvantaged, handicapped, language-limited, Native American, and minority students.

In programs like title I: Bilingual Education, Emergency School Aid Act and the Education for the Handicapped Act, the Federal Government has recognized its special role in providing extra educational resources for the disadvantaged children of this Nation. That is a noble function, and we firmly believe that it should be continued.

We are concerned that the lawful share of Federal funds flow to disadvantaged students in nonpublic schools, and we will take both legislative and administrative steps to achieve this important objection in a manner consistent with the Constitution.

Second: The President is deeply and personally concerned that Federal programs help State and local governments to perform the fundamental mission to insure that elementary and secondary school students learn the basic skills of reading, writing, and arithmetic. If access and equal educational opportunity have been the dominant themes of Federal programs in the past, we hope to make basic skills achievement and educational quality a dominant theme in the future.

Indeed, educational opportunity and achievement of basic skills are clearly complementary goals, for without the basic skills no child is prepared for life's challenges in this Nation for further education, for employment, and for citizenship.

I must emphasize that the President cares deeply about this subject; for he has stressed basic skills attainment in virtually every discussion we have had on education and on the educational reauthorization.

The President, like parents, teachers, and administrators, is disturbed by the decline in many test scores and the evidence that many students are not mastering the fundamentals of education.

For example, according to the "National Assessment of Educational Progress," 12 percent of the 17 year-olds in 1975 were functionally illiterate and 34 percent could not determine the most economical size of a simple consumer product. And we know well that among disadvantaged students, gains in basic skills made during the school year are often lost during the summer months, and gains made during early grades are often not sustained in secondary schools.

Thus, we are dedicated—dedicated to seeking new ways to help the States and localities teach students basic skills. This can be done, for example, through summer school programs, expanded efforts in secondary schools, more teacher training, and improved State and local testing programs.

Basic skills are not the end of elementary and secondary education, but they are the critical foundation. The Federal Government must work with the States and localities to make that foundation secure.

Third: We will seek new ways of relating the schools to other social institutions—the family, the workplace, and other social services. The Federal Government can, in this important area too, highlight problem areas and work with State and local governments in laying the groundwork for more effective programs.

Parents can be critically important in their children's learning process. We will explore methods for greater parental involvement vis-a-vis their own child, by providing materials for use in the home during the summer or through the new home-based technology.

With youth unemployment and high school dropout rates both at unacceptably high levels, there can be no question that relating school and the employment experience is a high, national priority. This need is reflected in one, stark statistic: In 1976, among high school dropouts aged 16 to 24, the unemployment rate was 35 percent, nearly twice as high as the 18-percent rate among those of the same age who had completed high school.

Through work-study programs, through magnet schools, and through other expanded efforts to make schools the focus for training programs, educational institutions can begin to play a more important role in addressing this national problem. Many of the difficulties that beset the Nation's elementary and secondary schools, especially the high schools, result from forces beyond the schools: for example, increased violence, drug abuse, and teenage pregnancy. By linking the schools and other social services, States and localities can begin to make inroads on, although they cannot alone solve, fundamental social problems.

Again, the Federal Government should begin to play a more effective, catalytic role in this area.

Finally, Mr. Chairman, we seek to forge a new Federal-State partnership that encourages States and localities to carry out Federal priorities. Numerous State and local officials have presented testimony to this subcommittee and to our department on how Federal administrative practice hinders rather than helps the effective delivery of programs.

We are aware of the need to reduce paperwork and streamline procedures, to relax some fiscal controls and to give State and local governments greater flexibility in implementing Federal programs.

As a former Governor, President Carter is also profoundly concerned that we not just give lip service to a new Federal-State-local partnership in education, but that we actually make substantial progress towards that important goal.

These are the themes that have guided the development of our legislative proposals; but to understand this administration's deep commitment to improving the quality of elementary and secondary education, these proposals must be seen against the backdrop of the President's fiscal 1979 budget.

As this subcommittee knows only too well, the years from 1969 to 1977 were a period of conflict between the Executive and the Congress over the education budget. In those years, through the attention and concern of the Congress, the Federal budget for elementary and secondary education grew at an annual average rate of about 10 percent, from $2.5 in 1969 to $5.2 billion in 1977.

It was common for the President to request far less than the Congress appropriated. This year, however, President Carter has submitted an historic education budget. The President's request for elementary and secondary education is up nearly $900 million in fiscal 1979 over fiscal 1978, from $6 billion to $6.9 billion, an increase of 15 percent.

This is the largest dollar increase requested by a President for elementary and secondary education since President Johnson's request in 1966, and it is a $2.2 billion increase over President Ford's fiscal 1978 request.

This increase in Federal spending for elementary and secondary education is complemented by the request for almost a 40-percent increase in student assistance programs in higher education from $3.8 billion to $5.2 billion. In fact, the President's fiscal 1979 request for HEW's education programs is more than $5 billion above President Ford's fiscal 1978 requests.

This budget demonstrates the administration's desire to work closely with the Congress in developing and implementing sound policies for American education.

Let me describe briefly the highlights of the President's reauthorization legislation. I am also submitting, as I indicated earlier, for the record, an appendix which describes the legislative proposals in greater detail.

Mr. Chairman, as one of its strongest supporters, you know well that part A of title I performs the critical function of providing funds for supplemental, compensatory services to children from low-income families.

At present, the basic title I program reaches about $5.6 million of the 9 million eligible children and 80 percent of those served are in grades 1 through 6. Title I funds go to 14,000 of the Nation's 16,000 school districts. We propose the following changes or additions in this, the core Federal elementary and secondary compensatory program.

Districts with especially high concentrations of low-income students need our special attention. Within each State, the same amount of money for a poor child is distributed to each district, so that those with high concentrations of poor children receive the same amount per pupil as do less poor districts.

To meet these problems, we propose that a targeting provision be added to title I to inject some extra funds on top of part A into these poverty-stricken areas. The funds would be allocated to districts which have at least 20 percent or 5,000 poor students.

The President has requested $400 million in fiscal 1979 for this provision.

Using this formula, extra funds would flow to about 3,500 of the Nation's 14,000 title I districts, containing approximately two-thirds of the 9 million title I eligible students. These funds would, like part A funds, be targeted primarily on basic skills achievement. Districts could spend the additional funds on the same numbers of pupils who now receive services, leading to an average increase of $140 per pupil and resulting in full funding, that is, more than $560 million per student for the 4 million students receiving services in the targeted districts.

Alternatively, the districts could use the funds to increase the number of students participating in the title I program and, assuming expenditures at the present per pupil rate, an additional 900,000 children could be served, leading to an average 77-percent participation rate in the affected districts, up 14 percentage points from the present national level of 63 percent.

The targeting provision is an important addition to title I. Through it, we would provide extra resources where they are needed most, while maintaining a strong part A program.

With nearly $3.4 billion requested for title I in fiscal 1979, the administration has demonstrated a deep commitment to the basic compensatory program. In the future, we hope to obtain greater financial involvement in the title I mission, especially because not all title I children are covered at present, and because States are increasingly developing budget surpluses.

Accordingly, we propose a new part of title I that would match expenditures by States for compensatory education programs at a rate of $1 Federal for every $2 State. To qualify, a State compensatory program would have to be very similar to title I. Funds must be used for disadvantaged children. Funds must be used for supplemental, compensatory purposes, and the State program must be evaluated on a regular basis.

In order to improve the quality of title I programs, we would require local school districts to indicate in their applications for funding that the following requirements will be met: Increasing involvement of parents in the education of their children; involving teachers in the planning and evaluating of the title I program; evaluating the program to determine whether achievement gains were sustained beyond a single school year; consider providing more sustained services such as summer programs and programs in the junior and senior high schools in order to counteract the dropoff in title I progress during the summer and in the higher grades.

To underscore the President's concern about basic skills achievement and integrating the school with other institutions, we propose a new demonstration title of the Elementary and Secondary Education Act, the Basic Skills and Educational Quality Act.

At present, the National Reading Improvement Act is a loosely focused statute that establishes, among other things, demonstration programs to improve reading skills.. We propose to refocus and strengthen this authority into a basic skills demonstration authority that would seek to improve basic skills instruction and achievement in Federal, State, and local programs.

The basic skills authority would be broadened to include writing, oral, and mathematical skills. In addition, we would have the authority to assist States and local authorities in the use of competency testing, to sponsor demonstration programs that would assist parents in helping their children learn basic skills; would sponsor development of improved technology and instructional materials; and disseminate the most promising basic skills programs to State and local authorities.

We hope that creative use of this authority will stimulate a national effort to find better ways to advance attainment of basic skills.

An existing demonstration authority, the Special Projects Act, contains the community school and career education program. We would build on these programs within the Special Projects Act framework to initiate demonstrations to strengthen the links between secondary schools and work opportunity.

In addition, we could fund programs to develop more systematic integration of schools and social services and to use the community as a learning environment. Extending the school to the work place and to other social services is an important step in reinforcing and achieving the school's fundamental mission of teaching basic skills and attaining quality education.

President Carter is very concerned that, consistent with the Constitution, nonpublic school children receive their equitable share of funds provided under Federal elementary and secondary school programs. Although estimates in this area are quite rough, we estimate in fiscal 1979 that private school students will receive between $100 million and $250 million, out of the $6.9 billion requested for Federal elementary and secondary programs.

We also estimate that, with appropriate legislative and administrative changes, nonpublic schools would receive from $100 million to $250 million in additional funds in fiscal 1980, funds to which they are legally entitled.

We must take all constitutionally appropriate steps to insure that private school children receive the funds that are their due. Providing money to private school students through the existing programs, many of them based on well-defined educational needs, is a far superior way of insuring the diversity of education in America than the shotgun approach of the tuition tax credit.

The $500 tuition tax credit under consideration by the Congress would, if enacted into law, deliver a devastating blow to public school education in this Nation. It is indiscriminate, affecting rich and poor alike, and it is inequitable.

The Congress would, if private school families received the full benefit of the credit and if they received their full share of existing Federal programs, be providing about four times as much money for private school students as it provides for public school students.

For each private elementary and secondary school student, the Congress would provide the $500 in the tax credit plus the $55 to $75 per student that private school students would receive under existing Federal programs. All this, for private school students, compared with only $128 per pupil for public school students under existing Federal programs.

The proposal, in short, stands the American tradition of public education on its head and also, as I mentioned this morning at the briefing at the White House, raises serious constitutional questions which the Attorney General is now studying.

By contrast, to insure equitable treatment of private school students consistent with sound, constitutional interpretation, we propose the following legislative changes.

In title I, require that spending for educationally deprived nonpublic school children is comparable, consistent with their numbers and educational need, to spending for public school children. Require that new title I funds distributed through the targeting and State incentive provisions are subject to the same equitable standard. Require that State plans contain monitoring and enforcement provisions concerning participation of nonpublic school children.

In title IV, require States to develop a plan for assuring equitable participation of nonpublic school students in all Federal programs. Strengthen and clarify the bypass authority which the Federal Government may use to provide constitutionally permissible services directly to nonpublic school students when the States and localities fail to discharge statutory obligations.

In addition, we have also taken, or will take, administrative steps to fulfill the President's commitment to private education. At his direction, we are establishing a new office for nonpublic schools within the Office of Education. This office will coordinate all Federal education programs which call for the participation of private school students, attain information about the level of nonpublic school participation in federally funded education projects, and process complaints.

We have already established a much more precise and systematic complaints process. We will make sure that qualified representatives of private schools are placed on educational advisory committees.

The Emergency School Aid Act was enacted in 1972 to help school districts meet the needs arising from desegregation. In essence, we propose reforms which will implement the original purpose of this legislation and that will target assistance more directly on school districts currently undergoing desegregation or with pressing problems clearly related to desegregation activities.

The Emergency School Aid Act has two basic allocation mechanisms. In the apportionment program, which includes basic grants, pilot projects and grants to nonprofit institutions, funds are distributed to the States on the basis of minority enrollment, not necessarily on the basis of the level of desegregation activity. Under the discretionary section of the Emergency School Aid Act, the Assistant Secretary conducts a national competition and determines which districts need funds to deal with the immediate effects of school desegregation.

Studies have indicated that, while some of the funds allocated under the State apportionment mechanism are used for desegregation related activities, other apportionment funds are used solely for compensatory education. Given the purpose of the act and given emerging desegregation needs across the Nation, we propose limiting the funds distributed by the apportionment mechanism.

At present, more than $30 million is distributed through apportionment for pilot projects which are compensatory in nature. We would move these funds from the apportionment to the discretionary section of the Emergency School Aid Act and then hold apportionment funds at $150 million, thus maintaining fiscal 1978 apportionment levels of basic grants and grants to nonprofit organizations.

This proposal will make available needed funds for new desegregation activity. The States which presently receive Emergency School Aid Act project pilot funds will be more than compensated by the additional title I funding.

We also propose to initiate multiyear grants to be given for a period of up to 5 years, in contrast to the present year-by-year grant process. This change would allow longer term planning by districts and will reduce the yearly administrative burden at Federal, State, and local levels. There will be annual civil rights clearance, however, to assure continuing compliance with civil rights laws.

We propose creating an authority for discretionary, matching grants to States that have programs which assist local officials with their efforts to plan for, and promote, voluntary reductions in racial isolation. This authority will allow the Federal Government to encourage successful desegregation programs already underway in some States.

Nine States currently have statutory authority to seek desegregation. Federal funds would be used for planning, technical assistance and training, and the State must show that the application submitted to the Federal Government was the result of broad-based participation by affected parties in the relevant communities before it can be eligible for the 66 percent Federal match.

Title VII, the bilingual education provision, was established in 1968 as a demonstration program to encourage and disseminate bilingual education practices, to establish teacher training programs and to evaluate the state of bilingual education in the Nation.

In fiscal 1978, the $135 million appropriate will support 565 demonstration projects in 67 different languages and serve approximately a quarter of a million children. Although the aims of this program are unquestionably sound, no techniques have emerged as models to be followed across the Nation. Many major problems include lack of trained, bilingual teachers and inadequate curriculum material.

I strongly endorse the central purpose of title VII, as does the President, to provide basic English language skills instruction to those who speak another language, and we propose the following changes in the program.

We would increase the authorization for research by $15 million and place special emphasis on research directed to teacher training and the ways in which cultural background can aid English language instruction.

This 300 percent increase in the authorization for research, evaluation and data collection ,reflects our desire to develop at last systematic information on this 10-year old program.

Title VII is a demonstration program, and there should be an opportunity for different schools to try different instructional techniques and programs. Accordingly, we would limit particular funding in particular schools to 5 years and phase down the funds over the life of the project as State and local support increases. In the project application, districts would have to indicate how they will develop the capacity to assume program responsibility under circumstances causing exceptional hardships, such as demographic shifts, the Commissioner may waive the 5-year time limit requirement.

We propose that parents have the opportunity to be more deeply involved in the program, both in preparing the grant application and in the instruction of their children.

Mr. Chairman, we recognize that our legislative proposals, the ones I have discussed orally here and others that are in the statement, much be seen not only in a budgetary context but also in relation to an effective program administration. We simply must make HEW programs work better.

Assistant Secretary Berry and Commissioner Boyer share my very deep concern that we make social and education programs a symbol of the manageability of Government. Thus, many of our legislative program changes are mirrored or augmented by administrative changes that simplify and make more effective numerous education programs administered by HEW.

In the 13 months we have been in office, the following administrative steps have been taken. We have simplified and made more systematic the process of issuing regulations. All Office of Education regulations will be recodified during the next 5 years, like all HEW regulations, with an emphasis on clarity and simplicity.

We have, to the limits of present authority, streamlined the administrative structure of OE by, for example, reducing from 28 to 7 the number of staff officers reporting to the Commissioner.

We have substantially reduced paperwork and eliminated more than 6 million hours of the paperwork burden.

We have simplified the application process by publishing a single notice in the Federal Register for the closing dates of all discretionary grant applications.

We have begun to tighten the grant contract and audit processes.

These administrative changes are part of the President's commitment to competent Government and are a base upon which the administration's commitment to work with the Congress in creating a new Department of Education can be carried out.

In sum, Mr. Chairman, by a combination of legislative, budgetary and administrative actions, this administration has demonstrated that it cares deeply about the state of American elementary and secondary education. Although there is much to be criticized in the state of American education, there is much that is good.

With these legislative proposals, we urge a strong, Federal supporting role for the vital work done in school districts all across this nation by teachers and administrators who deal directly with America's most precious resource, its children.

Thank you, Mr. Chairman.

Chairman PERKINS. Let me thank you, Mr. Secretary on behalf of the committee for giving clear testimony that will serve a very useful purpose.

Also, let me thank Dr. Graham and the NIE for the fine report they gave us on Title I.

Mr. Secretary, what do you consider to be the gravest problem in elementary and secondary education in the Nation today, and how do you propose to deal with it in your proposals outlined before the committee today?

Secretary CALIFANO. Mr. Chairman, I guess the problems are more than one. One, of course, is the failure to impart to more children the basic skills which are the critical building block to all further human development in a sophisticated democratic society. And there we propose to increase the emphasis, sharpen the emphasis, of title I and of our targeting provision on basic skills and also to have a basic skills and quality education act.

I also think that the title I, targeting provisions are important because, in those areas where there are heavy pockets of poverty either in the inner city or in rural areas, it is more difficult to provide good education for our children, and so we propose that targeting provision to deal with that.

Chairman PERKINS. Mr. Secretary, since it would have been much easier politically to spread all of your extra title I dollars among all school districts, why did you choose the more difficult course of concentrating $400 million of your new money—that is, out of your $669 million—in a limited number of districts: New York City, Chicago, Los Angeles, Detroit, Philadelphia?

Secretary CALIFANO. Mr. Chairman, the studies that we have looked at have demonstrated that concentrations of poverty have a negative effect on individual achievement. One national study shows that the prevalence of low achievement among low-income children is nearly 25 percent higher in big cities compared with similar children in small cities. According to another study, students from poor families in high-poverty rural, as well as urban, areas, do less well than students from poor families in suburban communities which are more affluent.

Now, those kinds of indicia were what led us to concentrate those funds.

Also, I would note that the targeting provision would provide substantial additional funds to rural areas where there are high concentrations of poverty as well as to large cities. 162 city school systems will receive funds and 2900 rural districts, many of them with poverty rates and populations in excess of 40 percent will receive those funds.

Chairman **Perkins**. Mr. Secretary, I have long thought that one of the basic defects in American education is the fact that a child in one school district can have two or three or four times more spent on his or her education than a child in another school district.

In my own State of Kentucky, the richest school district has three and a half times as much money to spend on its children than does the poorest school district.

These unequalized resources are not only found among school districts within States but are also found among the States themselves.

Mr. Secretary, do you consider these so-called equalization problems to be of national concern; and, if you do, what will the administration be proposing in this case?

Secretary **Califano**. Mr. Chairman, we are concerned about the equalization problem. We looked at this in the course of developing our proposals. Our candid view was that we did not know enough about them to propose a specific Federal role. We did not know what equalization meant, for example, between New York City or a vastly different rural area.

We will be presenting to this committee a proposal to provide us with resources for a nationwide study of that subject. I had hoped to have that proposal ready for the committee this morning, but including discussions last night with OMB, we are still working out the details.

Chairman **Perkins**. You may tell the committee just what that concerns, your meeting with the budget bureau.

Secretary **Califano**. Well, when I went to bed last night I felt we had a proposal. We basically are discussing a $10 million 3-year study by the education division that will go State by State to get a better sense of differences within cities, differences between rural areas and cities, and provide much better data and a much better sense of what the appropriate Federal role is.

I think what we will ultimately be proposing would be something similar to that, but we are still trying to work it out and we will be here with a proposal.

Chairman **Perkins**. We will try to abide by the 5-minute rule the first time around, if you please.

Mr. Ford?

Mr. **Ford**. Thank you, Mr. Chairman.

Mr. Secretary, I want to join the chairman to thank you for your presentation and especially commend you and Dr. Boyer for your efforts in bringing about the administration's proposal with respect to a renewed commitment of Federal resources to the support of education.

I think it can safely be said that you present us with a package of more ambitious and more fully-fueled to do the job than anything that has come before this committee since President Johnson asked us to enact the Elementary and Secondary Education Act in 1965 and I am sure the education community in this country has been looking forward to this day for some time.

Having said that, however, I must tell you that the half hour I had to look at the contents of your legislative proposals before I came to the meeting made me something more than a little bit upset.

Neither your legislative summary nor your statement mention the migrant education program which is one of the State title I programs. Is it fair to assume that we intend to continue the program as it is now in the law?

Secretary CALIFANO. Mr. Ford, in title I Migrant Education, education for the neglected and delinquent, and the handicapped education would come off the top as it does today.

I think we will have some proposals in the migrant education area. The initial proposal that we have worked on I did not consider adequate. Our people have gone back to the drawing board.

I would hope that we could, on a timely basis, get the committee some specific legislative recommendations, but there is no question that we maintain a commitment to migrant education and we will have something for this committee on that.

Mr. FORD. In discussing the incentive grant proposal and also the concentration proposals, I would like to point out some special problems with these proposals as they affect Detroit. I think that you would agree with me that Detroit typifies the problems of urban poor children as well as any city in the country.

First, I would like to draw your attention to page 13 of your statement in which, in the second paragraph, you refer to the additional funds being used for disadvantaged children for compensatory purposes.

But, in the appendix that you submitted to us, in discussing the proposed section 127, you talk about expending the funds for educationally deprived children. Those terms do have a considerable difference in their application as we have used them on this committee for a period of time.

I refer now to page 8 of your appendix, and the chart entitled "State Compensatory Programs," showing the 12 States that would qualify for some eligibility for matching and some 6 States that have compensatory programs that would not receive matching funds.

For example, drawing your attention to California, the State compensatory funds for fiscal year 1978 are $118 million and they would only be able to qualify for $17.5 million in matching. One finds that pattern throughout 12 States. I was, of course, forced to look at Michigan where we would receive only $8.4 million to match a $28 million State expenditure. Under your proposal.

Detroit officials report to me that out of the $28 million they would get $12.5 million, which indicates that the system they use to distribute compensatory education funds in the State of Michigan does a better job in getting money into Detroit as opposed to other areas with either educationally disadvantaged or noneducationally disadvantaged children.

In order to qualify for the balance of your incentive money for matching, they would have to abandon a formula which is based on achievement testing. This State program produces better results for the largest city with the largest concentration of poor people in the State, than the title I formula which demonstrably does not treat them as generously.

I draw that to your attention because of your firmly stated intention to try to concentrate additional effort on the urban poor and areas of high concentration in the urban poor. Relying entirely on the description in the appendix, it would not have that effect in my State.

Chairman PERKINS. Answer the question; then we will go on to the next person. Go ahead.

Mr. FORD. We are on 5 minutes now, but we will be back later with about 30 other questions.

Secretary CALIFANO. Mr. Ford, let me just say that I do not think that I can answer or anybody can answer now. We will just have to look at the words of the proposal against the problem of Detroit, and see if there is some unintended effect. One of the points of this hearing is to look at those kinds of things.

Mr. FORD. Mr. Secretary, the point is, would it be your intention if a State has a method of distributing compensatory money that seems to be achieving the goals that you set out to achieve, would you require, as a condition of their receiving matching funds, that they abandon their approach?

Secretary CALIFANO. I do not think we want States to abandon anything they are doing like that that helps children be better achievers, and that is why I say we can work these problems out as we proceed with the proposal.

Mr. FORD. Thank you.

Chairman PERKINS. Mr. Quie.

Mr. QUIE. Mr. Secretary, there are a few things I like about this proposal. I like the increase in money. I like the increased involvement of parents and I like the fact that you want to involve teachers in planning and evaluation. Those things, I do like.

There is an awful lot that I do not like about it. For instance, it seems to me that after 1979 the gifted and talented lose their assurance of funding. The reading is fundamental program seems to be gone.

Secretary CALIFANO. No; I said this morning at the White House briefing, and let me say now, that we would keep the Reading Is Fundamental program. I have been very effectively lobbied by Mrs. McNamara on that program. I could not conceive of letting it drop as long as I am Secretary and never talking to her or her husband again.

Mr. QUIE. Well, we need language on that and on the Right to Read program.

What bothers me most is your continuance of using the poverty criteria within State and local school districts. Take, for instance, the concentration. I have been struck each year that California has more poor children than New York. Under the old census information, California has 595,000 poor children and New York 526,000.

There may be some question on the accuracy of the SIE study that was made by the census in 1975 in some States because they are small, but it is pretty accurate in New York and California. In it, California has 648,000 poor children which is a substantial increase for California, but New York has 524,000, something of a drop.

Yet, in your part C, New York gets $70 million and California, $29 million. Compared to other States, New York getting 17 percent of the money.

Also, you do not seem to have used any of the Decima information which I find quite intriguing. It is true that a higher proportion of poor children are educationally disadvantaged, but in that study, it indicated that less than a third of the underachievers are poor. In fact, more than half of the title I participants are not even underachievers and 35 percent are not either poor or underachievers.

I do not see how you address yourself to that at all.

Let me cite some figures from Detroit because I feel very strongly—as the gentleman from Michigan, Mr. Ford, has indicated—that you require those State programs, like New York, Michigan, and California, to shift their compensatory education programs to follow title I which has been so far from the mark that it is the wrong move.

The superintendent was in here and he pointed out two schools in the district where both of them were about 32 percent poor, so you would say there is a concentration of poor in those two schools. One of them had 60 percent underachievers and the other one 9 percent underachievers.

Now, it does not make any sense to me to distribute the money to those schools according to the number of poor who are there, but rather to the number who are underachieving. That is why it seems to me you have not used the information that was developed by the Decima study in the Office of Education. You have not used the information developed by the National Institute of Education, and have gone right ahead as though the best use of the money is according to this obsolete formula. Under this old formula, people who were 5 years of age at the time the census was taken are now 12 years of age.

We do not even help kids between those ages anymore. The SIE study said that there was going to be some vast changes between States. We do not know within States the vast changes that have occurred in poverty. I would say in conclusion, the distribution formula that is the furthest from the last that tends to be used between schools in the school districts is either free lunches or AFDC, but it varies whether the person is on AFDC or not, and neither of them have any indication of whether the person is educationally disadvantaged.

My question to you is: Why did you not use that excellent information that was developed out of OE and develop something new that would be closer to hitting the mark of those students who need the help?

Secretary CALIFANO. Trying to take at least a couple of pieces of it, as far as the SIE study is concerned, we did not use that because, while we think it may provide some accurate information in broad regional trends, the sample was so much smaller in the 1970 census, for example, that it would have a much lower level of accuracy.

Second, these findings——

Mr. QUIE. Let me interject that the fault of that is that you or the Department did not put enough money into it to have a more accurate study.

Secretary CALIFANO. Well, I was not here in 1975.

Mr. QUIE. I realize that you were not here.

Secretary CALIFANO. I have enough sins to answer for in the last 13 months.

Second, the SIE study does not go down to the county level as the 1970 census does and we are worried about—our people, our demographic people and our statistical people and I were worried about—having wide variations and making guesses in that area, and that is why we stayed in the 1970 census vis-a-vis SIE.

Now, as far as the so-called Decima study is concerned, we looked at that and our basic conclusions are: One, in order to be a low achiever under that study you had to be a low achiever in both reading and mathematics, and title I is providing compensatory education for low achievers in either subject, and second, a student had to be a full grade level below to be counted as a low achiever in the Decima study; title I is providing funds to students who are less than a full grade level below.

Third, our judgment is that achievement tests, particularly in the lower grades, are very difficult to use as a sole measure of whether a student is a low achiever or is not a low achiever.

Last, with regard to shifting to achievement data, one of the things that we have learned over the past several years is that some measure of continuity is needed in terms of title I children and that study did not take that element into account.

On the poverty side of the Decima study, the cut-off was very sharp. They used either a census cutoff or an AFDC cutoff; there are many nonpoor people under those terms who are poor and who, in one way or another, could get title I assistance.

Also, it did not take into account the impact of poverty in a broader sense.

Those are our problems with that study. That is why we rejected some of its conclusions.

As far as the part B shift point, we will match only those dollars that go to title I kids. We are not asking States to change their State allocations. However, they determine that is fine; so long as they are title I kids, they will get the dollars to match.

Mr. QUIE. Are you saying that the States can use either achievement or low income?

Secretary CALIFANO. No; I am saying that we are matching State money provided for title I kids; States regularly have to determine who those title I kids are under title I of the Elementary and Secondary Education Act.

Chairman PERKINS. Mr. Brademas.

Mr. BRADEMAS. Thank you very much, Mr. Chairman.

Mr. Secretary, I want to add my own congratulations to you on your overall proposal and, in particular, to commend you for the tremendous increase in funds that you are asking, both for elementary and secondary education programs, and while we are at it, and on the afternoon of the day that the administration's Middle Income Assistance Act, sponsored by Congressman Ford and others, was unanimously reported by that subcommittee, to congratulate you, as well, for asking for more money on higher education for student assistance programs.

I also think you are on the right track in asking for this basic skills program which, as I understand it, is aimed at improving reading, writing, and arithmetic, the basic skills, not only in title I schools but in all elementary and secondary schools.

I strongly applaud what I know Commissioner Boyer has been concerned about and that is to greatly simplify applications for Federal education money.

I was delighted that you made clear that there was an error in your initial statement that you do not intend to fold in environmental education and drug and alcohol abuse education. I say this not because they happen to be measures which I am identified with, but because I have long been aware that when you fold in a lot of programs, somehow programs get lost in the shuffle, and I think that is what Mr. Quie was saying with respect to some other programs.

I think you are on the right track in wanting, for example, to spend more money warning against the dangers of the abuse of smoking tobacco, but you want, I think, $23 million for that if my memory is not mistaken.

Secretary CALIFANO. $20 million of the tobacco program was for research, essentially; $6 million of it is directed to education.

Mr. BRADEMAS. Well, I am glad to have that, because we wrote into the Drug and Alcohol Abuse Education Act this year—Congressman Jeffords was particularly concerned about this—an authorization of $6 million because the record is very compelling that that is certainly a reasonable amount of money, and the program has certainly been enormously successful.

I happen to agree with your analysis, but I know there is a degree of controversy about the wisdom of your education program in the area of smoking. There is no quarrel with the proposition that the abuse of drugs and of alcohol is a very serious problem, and the testimony of our witnesses showed that your existing alcohol and drug abuse programs were proving to be very effective.

So I am glad you are not going to try to fold them in.

I would be grateful if you could supply to the members of the subcommittee, in respect to the item on page 13 of your statement, a memorandum setting forth the particulars, the specifics, on programs of Federal assistance that go to private school students so that we would know, in fact, what you are doing and how much money.

I have, finally, Mr. Chairman, just one observation and Mr. Califano may wish to make a comment on it. This refers to the Education for All Handicapped Children Act which I realize is not the principal focus of our hearings but is, nonetheless, relevant because you do propose, as I understand it in respect to the set-aside under title I for the handicapped, to apply the same criteria that would be applied under the Education for All Handicapped Children Act.

More specifically, however, my question is this. What response do you have for what we are now finding is some degree of criticism from some Governors and Chief State School Officers and others to the effect that that act is posing some unwarranted, unseemly mandates on States to educate handicapped children?

I think my views are on all fours with yours on that, but I would be glad to have your comments.

Secretary CALIFANO. Mr. Brademas, I issued regulations under section 504 to enforce the prohibition against handicapped individuals. We have been careful to focus attention on the need for program accessibility in order to ease, to the greatest extent possible, the architectural changes that might be required to give handicapped children an opportunity to get the same kind of education and have the same kind of education that nonhandicapped children have.

It is our belief that section 504 and Public Law 94–142 are not untoward requirements at the elementary and secondary level. There is over $800 million in this year's budget for elementary and secondary education of the handicapped. As you are well aware, in higher education we have a specific request for $80 million for facilities and there is a 3-year period in which recipients have to come into compliance.

So I do not think this legislation imposes an excessive burden on States, State school systems, school districts, or higher education.

Chairman PERKINS. Mr. Buchanan?

Mr. BRADEMAS. Could I just make one observation before I stop, Mr. Chairman? I just wanted to get across the point, in addition to what the Secretary said, that in most of the States, if I am not mistaken, there are already State constitutional and legislative mandates to provide an appropriate education to handicapped children. So the Federal Government has not imposed some fancy new burden on them, but has simply provided more money to help them meet the burden that they have imposed upon themselves.

Chairman PERKINS. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. Secretary, do you believe that the title I formula should not be changed at this time, given that we are so close to the 1980 census?

Secretary CALIFANO. Yes, Mr. Buchanan, I do. Very much so.

Mr. BUCHANAN. Good.

I have a small question in my mind about ESAA——

[General laughter.]

Mr. BUCHANAN. I was ahead with that one, so that is why I stopped that line of questioning on title I.

Would you explain why you do not recommend a change, Mr. Secretary? [General laughter.]

The chairman and I know your reason was meritorious.

Secretary CALIFANO. Mr. Buchanan, there really were two serious alternatives, and both of them were mentioned by Mr. Quie, and I think I laid out the reason to him as to why we rejected those alternatives.

Mr. BUCHANAN. Thank you, sir.

Now, let me ask about ESAA. Would your proposal redirect ESAA funds out of the South and, if so, is it because you feel we have our desegregation problems solved and do not need the money?

Secretary CALIFANO. Let me make a couple of points, if I may. We will cap funds in the South in those districts to which they are now apportioned at about current levels. With the increases we are recommending in title I and with the targeting provisions, while those districts will lose about $30 million under ESAA, they will gain some $70 million under the other provisions.

I think, in the future, we need more funds in that part of the ESAA Act over which we have some discretion. I think those funds are very useful to me and very useful to school superintendents who want to anticipate and deal with the desegregation problems as they face them.

On your general question, I think on the whole, without being unfair, because the problems are very difficult in the large northern cities, the South is much further along on the desegregation effort at the elementary and secondary education level than many of the major large school districts in the northern cities.

I note that the proposal would also permit us to fund in the South the second generation desegregation problems that they might have.

Finally, just in fairness to the North, let me just note that there are very difficult problems where we are dealing with school districts in which, 60, 70, 80, 90 percent of the school children are minority children, and they present a much different kind of problem than is faced in the South.

Mr. BUCHANAN. I just want to underline for you that we do have continuing needs that are rather significant in our considered judgment.

Let me ask you a couple of questions about the Women's Educational Equity Act.

What were the Office of Education's recommendations concerning WEEA?

Secretary CALIFANO. Well, the recommendations of HEW, the recommendations that came to me were that we add another subsection to the existing statute. In the discussions with the Office of Management and Budget, we came to agree that we did not need that subsection. It was symbolic, not substantive, that everything that we think should be done under the statute can be done under the existing legislation.

We recommend a relatively modest change in the language under the existing section.

I think we are all in agreement on that at this point.

Mr. BUCHANAN. But this came out of your discussions with OMB. Within the Department of HEW, you had a recommendation.

Secretary CALIFANO. Well, I do not contend that all the wisdom in the world lies with HEW. There is some wisdom in OMB. On this one, I think they are right.

I think we are in agreement. It was not a situation in which we were overruled. That is what I want to make clear.

Mr. BUCHANAN. The recommendation may be at variance with OCR or OE, however.

Secretary CALIFANO. OCR and OE are often at variance with each other, too.

I think that—the Commissioner may want to comment—we are all in agreement on this particular provision.

Chairman PERKINS. Mr. Blouin?

Mr. BLOUIN. Thank you, Mr. Chairman.

Just to follow up on the wisdom of OMB, Mr. Secretary, I noticed on page 16 of your testimony you refer to this extended school concept which sounds a lot like the Career Education Act that Congress enacted and which was signed into law by the President this past year. It seems to parallel to an extent, at least some of the goals of that Career Education Act.

I do not suppose we could get OMB, in their infinite wisdom, to support funding for the Career Education Act as opposed to continuing the current trend in career education, do you?

Secretary CALIFANO. I think that that is something you can take up with them. Our basic judgment is that going this route, which is—without a State formula, going this route is the way to go. I do not think we have any significant disagreement with OMB on this, either.

Let me make a general point.

Mr. BLOUIN. Am I understanding you, that you would oppose an effort to fund the Career Education Act?

Secretary CALIFANO. I think we have provided a very substantial and generous education budget and I would stand on that budget. I would like to make a larger point, though.

There is a significant amount of money, perhaps as much as $80 million or $100 million in the area of youth unemployment legislation that came out of this committee and that is being funded which provides a substantial amount of money for work-study type education and any desire to look at this whole area has to now focus on that, because that is probably the most significant piece of legislation in this area.

So I think, in terms of considering what the committee might want to do on the basis of what we have recommended, I urge you to look at that as well as this. There is a lot more money in this area now than there was 1 year ago.

Mr. BLOUIN. Well, just as a quick followup to that before I move on to another subject, the Congress looked at this whole area this past year and under the chairmanship of the present chairman of this subcommittee, who is the main sponsor of the Career Education Act and Senator Hathaway on the Senate side, and many of us who joined in that effort, it was the decision of the Congress by a substantial margin, better than two-thirds in the House and I think almost unanimous in the Senate, to start down the road of a career education program with temporary matching funding with the States on a phaseout basis. I would hope that in the next couple of months we could find some way of triggering that program into some kind of a funding existence.

I would like, before my 5 minutes are up, Mr. Chairman, to move into a line of questioning regarding your private school comments, if I might, Mr. Secretary.

On page 18 you mention that by fiscal 1979, private schools are receiving between $100 million and $250 million out of the $6.9 billion requested. You go on to say that with appropriate legislative and administrative changes that nonpublic schools could receive an additional $100 million to $200 million.

I was wondering if you could elaborate for us on that subject. What legislative and administrative changes are you referring to?

Secretary CALIFANO. The legislative changes are those that we recommended here. They would permit us to make certain that private school children who meet the title I standards receive those services, and that services are provided under the bilingual education provisions and other titles.

Presently when a State or school district does not provide those services to private school children who would otherwise be eligible, we are not adequately using our authority to bypass that school district and have HEW contract with some independent contractor to get those services for the school child.

Mr. BLOUIN. Primarily the bypass part?

Secretary CALIFANO. That is correct.

Administratively, I listed them—they are listed generally in the statement. They are the use of the bypass authority where we now have that authority. We are using it in Virginia. We are investigating it in Wisconsin. We have used it in Missouri and there are other districts under investigation.

Second, the creation of a strong Office for Nonpublic Schools. I think it is fair, in all candor, to indicate that OE has not been particularly sensitive to the needs of private schools over the past several years. It is not skewed that way.

We would put an office up at the top of OE that would do that.

Third, there are a whole host of administrative changes, some of which we have already made, to put complaints from private schools on a hearing schedule that would provide a much faster track.

The Virginia action we have taken is the culmination of a complaint that was originally made 10 years ago.

And last, there is a legislative change that relates to a reduction in the administrative hearings procedures that we have to afford a school district which is not providing those funds.

Chairman PERKINS. Mr. Goodling?

Mr. BLOUIN. If I could, Mr. Chairman, one very quick followup on this point and then I will reserve the rest for the second round.

There was a study completed by the National Institute of Education and presented to this subcommittee in October of last year which found that in private schools, title I classes were larger than the public school counterparts, that the students received an average of 1 hour of title I instruction per week, that the least qualified teachers, those with the lower degrees, less experience and part-time status were typically assigned to nonpublic school students as opposed to public school students.

In other words, the quality of delivery of title I programs in the private school sector was nowhere near the quality in the public counterpart.

Are the kinds of changes you are envisioning things that will directly impact on this, are they geared toward equality in the quality of programs?

Secretary CALIFANO. Yes, absolutely.

Mr. BLOUIN. All right. Thank you.

Chairman PERKINS. Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

I have three quick comments and three quick questions in 5 minutes, hopefully.

First of all, I think somewhere along the line, a question was raised about equalizing the opportunities for youngsters in relationship, I suppose, to per pupil expenditure throughout the district. My concern would be that we at the Federal level would be very careful about getting involved in that kind of thing. There are State opportunities to do that.

In my State, for instance, the richest district gets 10 percent from the State whether they deserve it or whether they do not; and, the poorest district will get as high as 68 to 73 percent of their funding from the State. So, the State should be able to take care of the equalization. I am not quite sure how we would do it other than to add extra on top of whatever the States did.

Second, good luck in the impact aid. I agree wholeheartedly; it is horrendous the way it presently is and it has to be changed. I am one who happens to have four military installations in my district, not only installations but installations that hire Federal employees and so on.

It is just ridiculous that the wealthiest districts are getting a lot of that money, so good luck.

Secretary CALIFANO. Mr. Goodling, I have been looking for you since 1965.

Mr. GOODLING. The third comment I would like to make is I hope that as you move ahead on this career education program you have an idea of what it is. I voted for it. I must say, however, that in some testimony I heard, it meant more vocational education; and in other cases it meant more filmstrips and things of this nature.

When we were finished with the conference committee I still was not sure what it meant or how it was going to be implemented. But I am thoroughly convinced that it can be very effective if, in fact, we get the figures and the counselors out into business and industry and if we get the students out there and if we get business and industry into the schools. Other than that, I do not know how it is going to be very successful.

Now, three quick questions.

No. 1: Is there any age limit as far as ESEA funds are concerned? When I say that, I'm asking could it be used for 3-year-olds, 4-year-olds, 2-year-olds?

Secretary CALIFANO. I do not believe there is any age limit.

Mr. GOODLING. I only ask that because a long time ago in this business I thought it was the Federal Government that was using my money for 3-year-olds and I charged down here only to find that it was my State. I hope that we would make sure that the State cannot say funds cannot be used for preschool education beyond kindergarten or nursery school education.

Secretary CALIFANO. You are asking a different question. I do not think there is any prohibition in the Federal statute. Whether there is a prohibition against States imposing some limitation I cannot answer and I would like to supply that for the record.

Mr. GOODLING. There is nothing on the Federal level to prevent that?

Secretary CALIFANO. That is my understanding.

Mr. GOODLING. The second question that I would like to ask is, when an Assistant to the Commissioner visited me soon after he arrived from Washington, he asked what he could do that would help me most in my role on this committee. I said, if he had 5 years with nothing else to do, I would appreciate it if he would look at all the legislation that has been passed in many, many years and tell me where we are duplicating the effort where it is not any longer useful, where it is doing a good job, and so on.

Are you in HEW trying to bring this about so that we will have an idea of how much is duplication, how much is effective legislation, and how much is no longer needed?

Secretary CALIFANO. In the elementary and secondary education area, hopefully we have done that in the course of this review here, and hopefully this committee has done that in the course of the last couple of years.

In the regulatory area, I started last year something I call operation commonsense which is designed to review and codify all HEW regulations, many of which are obsolete, and duplicatory now. But I think that beyond the elementary and secondary education area, we have not done a systematic examination of the education statutes that apply to HEW. We will be looking at the higher education statutes in connection with next year's reauthorizations.

Mr. GOODLING. My last question: Is there any effort in this ESEA money to get it directly back to the school districts rather than back to the States? I was always very much offended that a great deal of that money was used for the hiring of people who had to review programs and tell us what to do when we had already been told in the legislation exactly what we had to do and who to spend it on.

Secretary CALIFANO. Our proposal leaves the distribution system for title I as it is, beginning with the State and going on down. We are trying one thing which we hope will help. We propose to increase the administrative share of the State from 1 to 1.5 percent in return for the State's taking on the job, the bulk of the job, of monitoring the use of title I funds school district by school district to make sure they are used in that way. We think that that can provide a less expensive, more effective monitoring process than trying to have the Federal Government do everything, and then we would only do some spot checks and monitor the States.

Mr. GOODLING. Thank you, Mr. Chairman.

Chairman PERKINS. Mr. Weiss?

Mr. WEISS. Could you tell me if the language on pages 11 and 12 starting, at the very foot of page 10, dealing with targeting in any way affects the existence of provision or allocation of funds?

Secretary CALIFANO. No, it is in addition to title I.

Mr. WEISS. I appreciate that, but is it in addition to title I in each particular district as it is right now constituted? Or is there a change in the definition as to the amounts of money that each of those districts would be getting without the new targeting program?

Secretary CALIFANO. The targeting program would go only to those districts who had either 5,000 students who were poor, title I students, or 20 percent of the student body who were title I students. Within that framework, the rest of the distribution down is the same as title I distribution is. It is up to the school district as to how it uses those funds, whether it increases the number of students, whether it increases the amount on its existing title I students.

Mr. WEISS. So that, in fact, what you are doing is leaving title I money alone as they are right now on a district by district basis?

Secretary **Califano**. That is correct.

Mr. **Weiss**. That is not being changed at all?

Secretary **Califano**. No.

Mr. **Weiss**. The other question that I have has to deal with the summer schools aspect that I think you mentioned on page 5. Could you expand on that a bit? How is that to work?

Secretary **Califano**. Well, what we are after, it is our belief on the basis of some studies that the title I student—it may be all students, but it is particularly aggravating for the title I student—loses ground academically between June and September. We would like to start demonstration programs using the parents; for example, providing them with teaching materials with which they can teach their own children over the summer; in some cases, perhaps, districts would use the school itself and have children come in during the summer.

My kids, for example, go to private schools, but every summer they get a batch of books to read, they get some math to do, so that they do not lose the sharpness and the educational level they had when they left school in May. That is typical of most good, private schools. It is not typical of most public schools and we would like to try some of these things with the title I students. That is what we are after.

Mr. **Weiss**. Right. And in order to further that, are you providing any kind of additional resources?

Secretary **Califano**. We are providing some resources here. They are not enormous. They are demonstration funds.

Mr. **Weiss**. And is the same thing true for the teacher training aspect that is also mentioned?

Secretary **Califano**. Well, the teacher training aspect, some of that would some in the Teacher Corps for which we—not Teacher Corps; the teachers center program—which we have requested a 25 percent increase from $8 to $10 million.

The other funds which can be used are demonstraton funds, and I will provide that amount.

Mr. **Weiss**. Fine. Thank you very much.

Thank you, Mr. Chairman.

Mr. **Quie**. Mr. Chairman, I have to take off; there is a vote affecting Minnesota. Could I have my second 5 minutes now? If everybody would agree to that, I will take a little time and run over and answer and then come back, if I may.

Mr. Secretary, I understand that Decima has done their study also with just reading and mathematics. I understand there is not very much difference using it that way either, and I find many people criticize the way studies are done but they never come up with any of their own to prove that it is any different. We are operating under an assumption here all the time that all of the poor kids are educationally disadvantaged and all the educationally disadvantaged kids are poor. This just does not prove out to be the case.

I do not think we can keep putting this off every year. We have had now 12 years of the program and $23 billion and we had better address ourselves to it someplace along the line.

Also, looking at your part C, I have already mentioned New York and California. Running through the SIE estimate of the number of poor children, because they are pretty accurate for New York and California. California has 9.1 percent of the poor children of the Nation. Under your part C, they get 7.25 percent of the money.

New York has 7.3 percent of the kids but gets 17.5 percent of the money. That is what throws me. How can that be fair at all?

I decided that I would look at Minnesota too. I have a little interest there, as well. They have 1.2 percent of the kids and get 0.6 of 1 percent of the money.

It seems to me that New York is pulling off a huge amount of money that belongs to some other States under that program. They have concentrations as well. And I do not see anything in your table on Puerto Rico. I would say we would be interested in that as well. I do not know how that comes out under the program.

I was wondering how you would respond to the fairness and equity——

Secretary CALIFANO. Well, you know, Mr. Quie, there will never be a perfect formula. I think our judgment is that the best way to make the formula better than it now is is to rely next on the 1980 census. We do not think the SIE study, for reasons which may be the fault of our own department, will not provide the data we need at the county level, and we do think that we are better off doing this on a basis of disadvantaged in economic terms.

That other point is more a function of, I guess, a philosophical difference than it is a function of that study.

When I got into these studies over the past several weeks, I will say that I share your implicit concern—I do not want to put words in your mouth—that we are not as careful as we should be in devising these studies and we are not as careful as we should be in watching them as we go along to make sure they provide fruitful data.

That problem, unfortunately, is not limited to the education area.

Mr. QUIE. Let me specify the other example so you can look at it. I referred earlier to the schools in Detroit where Bellview School has 32.77 percent poor under that poverty index that you use in title I and Thomas School has 32.19 percent. They are very close. The distribution in Detroit was based on poor kids, not educationally disadvantaged.

Thomas School has 50 percent underachieving in the reading skills, just reading; and Bellview School has only 9 percent.

Now, using that example, implies that both of those schools get the same amount of money. I would guess you would find that all over this Nation.

Secretary CALIFANO. Well, I guess our view—and I will submit what we have on this subject for the record for you—our view is that you would not find that kind of discrepancy all over the Nation. Second, that we do not think there is a better way to do it than there will be until we get that 1980 census.

Mr. QUIE. It is interesting because I believe a better way is used in the school right now. When you get to the school you do drop all the poverty figures and just go on educational achievement. Now, you can question whether there is enough similarity nationally between determination of educational achievement even between schools and between States, naturally. You could say that there could be substantial difference between school districts, but there is not that much difference in determination of educational achievement within the school district and there is no incentive to cheat on that, at all, either, within the school district. Last, I would say, that in the 13 school districts that use factors other than low income it is a very successful venture. They zeroed in on the kids who needed it more than all of these other school districts.

So, I think, there is a tremendous amount of data that that proves, at least in distributing the money within the school district, we could surely do better than using a poverty index.

Secretary CALIFANO. I think that although you get to the school district by poverty, I think that within the school district there is a tremendous amount of local discretion as to how those funds are distributed.

Mr. QUIE. Well, in 13 school districts there is, but in the rest, somebody else decides which schools receive it, and you do not know to what extent you are leaving out schools with concentrations of educationally disadvantaged children by using that kind of targeting.

I will not even try to put a change in the distribution of money among States. That I can fully understand. I can understand in some States that you would want to use poverty in distributing the money among school districts within a State, I do not understand that with New York, California, and Michigan, however.

Last, I think we are ready now to let the school district have the option to use poverty or low achievement or a combination of both in order that they might zero in on the students who need the help more than anyone else does.

I will yield to my colleague from Puerto Rico.

Mr. CORRADA. Thank you. Mr. Secretary, first of all, I would like to commend the President and you for assigning even a higher priority to the educational programs in terms of the Federal involvement, as evidenced the increases in the amounts to be authorized in budget for these purposes. These increases should be able to provide a better quality of education to many of our children. Of course, at the same time I have taken note that in your proposal you take a step in the right direction in terms of having a more equitable formula with respect to Puerto Rico.

Our government down there is spending close to $233 million every year—one third of our budget—of our own funds for elementary and secondary education and of course, as you know, most of our children depend on our public school system in terms of their own education, and the fact that the Federal share will be increased in terms of your proposal, and the President's proposal should definitely be a tremendous help to our local government in Puerto Rico in terms of providing education to our children.

This is the kind of development that I like. I am not particularly anxious to see funds come to Puerto Rico exclusively for welfare or to increase the dependency, but funds for development, human, social, and economic development.

Of course, we know that education is the best instrument we have for that kind of development and I think certainly this is a step forward.

With respect to bilingual education, though, I do have a number of concerns. For instance, the administration's budget request for fiscal year 1979 is $160 million, an increase of $16 million over fiscal year 1978. However, most of this increase is targeted for training and research—which I welcome, but none goes for basic program grants.

How can you justify such a proposal when less than a tenth of the 3.6 million eligible children are currently receiving bilingual education?

Secretary CALIFANO. Our feeling is that the bilingual education program is a demonstration program, that our function under that program and under the law passed by the Congress is to help schools develop the capability to provide such education, and that once the schools develop the capability, they ought to take care of those problems on their own and we ought to move on to other schools.

So we do not regard it as a continuing appropriation year after year to the same school. Indeed, in the legislative recommendations we make, we would put a 5-year limit on the length of time the schools could have those funds.

The increases were focused on research and teacher training—I think $11 of the $16 million is for research and $4 million is for teacher training—because we do not think we know yet the most effective ways to teach these students English, which is the basic objective of that program, to raise their skills in speaking English.

It will also provide us with an opportunity to take advantage of the bicultural situation to enhance and speed up the time within which we can teach these students English.

But that is essentially the basis for our budget decisions.

Mr. CORRADA. Let me say this. Conceptually and philosophically, I am one of those who believe, of course, that children who have a disadvantage in terms of their knowledge of English should be able to become proficient in English as soon as possible and that their education should reflect that objective.

At the same time, of course, I think that the bilingual educational program should emphasize certain bicultural elements in terms of making the children develop more self-esteem, develop his or her own self-image in terms of becoming aware of the particular contributions that his or her own cultural situation may actually reflect.

In other words, if they are Hispanic children, just to give you an example—and these are, of course, the group of children that mostly benefit from the program—that, at the same time that they are taught English and that they become proficient in English that they will also realize their own cultural contribution to the Nation and what the Hispanic culture means in terms of his or her own self and the esteem that he or she would have.

But, and I think that basically the program is conceived in these terms for instance, if you limit the program to a 5-year term, I am afraid that, in many cases, it will mean the end of bilingual education.

For example, in such areas as New York the State is already committed to the concept, but the fiscal situation there is very uncertain. On the other hand, we have areas like rural Pennsylvania where Hispanic groups are not politically strong enough that they can get decent health, housing and social services let alone a bilingual education.

Another problem with this approach is that no other program in ESEA has such a limitation.

So I am afraid that perhaps—although I understand that you would like to see more local involvement and State involvement at the end of the 5 years that, as a matter of fact, the Federal Government may then not be pushing enough to get the real good bilingual education programs going on where they are needed.

Secretary CALIFANO. Mr. Corrada, I would note that first of all, this is a demonstration program. It is not like title I of the Elementary and Secondary Education Act. Second, we will require the States and school districts that come in for bilingual education funds, to demonstrate to us, as part of their plan, how they intend to assume these obligations at the end of the 5-year period.

So we will maintain the incentives and encouragement—pressure, if you will—on the school districts to provide for the needs which you identify. We will do our best.

Mr. CORRADA. With respect to the program, let me say, of course, that in connection with the bilingual education there have been many experiments and there have been many programs that have not operated well. I think one of the things that we have to do here in Congress is to clean up the concept, to improve it. See where it is that it was effective, where actually there was an accomplishment in terms of improving the children's understanding and achievement in science, mathematics, et cetera and, at the same time, becoming more proficient in English.

But I think once the effectiveness of the program is detected that perhaps we here in Congress should be able to emphasize those programs that served well.

Furthermore, I also believe that toward the future—and I do not know if we will be able to achieve this at the time we authorize ESEA this time around—but I think that as we work toward the future, in terms of allowing the American citizen, not just be a monolingual person culturally but be able to enrich that person culturally. Perhaps we Americans are one of the few people who have stayed essentially monolingual when in Europe and other places you have people who are enriched culturally with more than one language, that I think we should be seeing in the future that bilingual education will become actually a service program and not just a demonstration program, particularly when we have the necessary experience to be able to respond better to the needs of bilingual education and to direct the program the right way.

I have no further questions, Mr. Chairman.

Chairman PERKINS. All right. Mr. Heftel?

Mr. HEFTEL. Mr. Secretary, I certainly want to applaud you on the increase in budget instead of decrease in budget which has been the pattern in the past, but two specific questions on impact aid.

First, your reason for wanting to eliminate the tier system for allocation of funds. For instance, is the intent to make it possible for appropriations to simply eliminate the funds and not be required under the tier system to make minimum allocations.

Second, how you intend to apply the 3-percent absorption.

Secretary **Califano**. The basic elements of the impact aid proposals we have are—I might begin by saying that we tried to go about it with a scalpel this year. The first element is to eliminate the payments for the feed out of county children. When the Federal employee is working and living in the county in which his child is being educated, paying taxes in that county just like anybody else on his property and happens to work outside the county, we think that is a windfall in that county not remotely based on need, and we would like to eliminate that.

As far as the 3 percent is concerned, we intend that a heavily impacted district will still receive ample compensation for the real Federal burden, while very lightly impacted districts, absorbing the equivalent of 3 percent of their non-Federal children—subtracting that from their impact entitlement—will be treated more equitably.

Mr. **Heftel**. My other area of interest is your suggestion that the student in the private school would be receiving a disproportionate share of Federal funds if you have a tax credit, and then you enumerate the number of dollars that would then, in effect, be allocated per student from the Federal Treasury by virtue of the tax credit--$60 per private school student as opposed to $128, I believe, for public school students.

Have you considered what would happen if the private schools were to close and the public school system had to absorb those students because, at the present time, the parents of those students are paying their equal share of taxes to support all of the public school students in the public schools and, in addition, are paying the tuition to send their children to the private school.

Now, if those schools and those parents were to no longer do this, what then would be the effect and would not this system, including the tax credit, be far more efficient costwise, both at the Federal and district levels, than if you were to interpret it as you have?

Secretary **Califano**. Well, I think the parents who send their children to private schools, including myself, may do that by choice. I think every American should pay taxes to support the public school system. It is a school system to which they are entitled to send their children.

My point is, for the Federal Government to make a judgment that we will provide almost $600 per student to private school students in this country and to make a judgment that we will provide only $128 per student to public school students in this country is abominable public policy. It is not consistent with a pluralistic democracy that is built on a system of public education.

And I think, as I said last week, it turns the whole tradition of this country in education on its head. I realize that there would be substantial burdens if the parochial schools in the big cities were closed tomorrow and all of those children were dumped on the public schools of the country, and that is the constant argument that is made.

I think that the State, local, and Federal government can respond to a large increase if that should ever happen, and I doubt if it would happen. I think if an individual in this country—and one of the great things about this country is that if an individual believes deeply enough, for example, in his religion that he wants to have that imparted to his children every day in school it is his right to do that, it is his right to find a way to do that. It is not the obligation under the First Amendment of the Constitution for every American citizen to provide for support for those school children in that school.

I mentioned before that the Attorney General is studying it. I do not know where he is going to come out. My own lawyers and my own reading of cases like the *Nyquist* case and the decision 2 weeks ago in the Federal District Court in New Jersey seem to show that tax credit may be the hollowest hope ever held out to private schools and to the parochial school system in this country, because it may be unconstitutional, and we certainly ought to be clear on that subject before we take that step as well.

I have made a judgment that I want my kids to go to Catholic schools and all three of them go, and I pay for it. That is my privilege in this country. That does not mean that I am entitled to get $1,500 bucks next year from the rest of the taxpayers in this country to ease the amount that I am paying for those children.

Mr. **Heftel**. Of course, it is not quite $1,500 and the cost is disproportionate. I think you would agree that public school systems would be in serious trouble if they were educating at $1,600 a student.

Secretary **Califano**. No, no. I have three children. $500 per kid.

Mr. **Heftel**. Oh. And if you have seven, $3,500, sure.

Chairman **Perkins**. Mr. Kildee?

Mr. **Kildee**. You mentioned in your testimony that you strongly endorsed the central purpose of title VII to provide basic English language skill instruction to those who speak another language. Does that preclude support for programs which also encourage the maintenance of the non-English language?

Secretary **Califano**. I think the ultimate and overriding objective should be to teach the English language to students who do not have that skill. I think it is important and I think we ought to try to teach it to them as rapidly as we can.

The second objective should be that, during that period of time when they are not proficient in English, that we teach them mathematics, geography, social studies, what have you, in their own language so that they can keep abreast of the other students.

Now, for that period of time it requires maintaining or enhancing their ability to speak in the second language, I think we should do that.

Mr. **Kildee**. How about encouraging the maintenance of the second language or the non-English language.

Secretary **Califano**. I am not sure that is a Federal function, if you will. Do you mean over an 8-year period or through elementary school and high school?

I am not sure—you know, there are a lot of educational needs in this country. I am not sure we want to make that an educational priority that the Federal Government single out and identify the teaching of foreign languages, or teaching of the second language, or maintaining the first language for students, or any of those three areas. I think it deserves some consideration by the Congress and some thinking through, against which we should measure the fact that even with the tremendous increase in the budget for this year, we have more than a couple of million children who would be eligible for title I who are not participating in title I programs. So I think all of those needs have to be measured.

Mr. KILDEE. Let me put it this way. The State of Michigan has a strong commitment to bilingual education and has had one for quite some time. Suppose an individual State says that we will have a program which will not only give proficiency in English but also will directly help the student maintain proficiency, or even increase proficiency, in the non-English language. Would the Federal funding be used to compensate those types of programs?

Secretary CALIFANO. I do not think the Bilingual Education Act would. I think you would have to change the statute.

Mr. KILDEE. The Federal statute.

Secretary CALIFANO. I think you would have to change the Federal statute. To the extent that you would maintain or enhance proficiency in the non-English language in order to make sure that that student stayed abreast of other students, or to help that student stay abreast until the student became skillful enough in the English language to be taught only in that language, that would be encompassed.

But beyond that, I think you have to change the Federal statute and you may well want to do that. I would suggest that you measure a lot of other needs that have been declared major congressional policies, as I said, including the fact that there are literally millions of children in this country entitled to title I benefits now who are not getting them.

Mr. KILDEE. Suppose the Federal statute just remains silent on that issue and the dollars could be used to supplement programs which did have a maintenance component.

Secretary CALIFANO. We would have to judge the need of the bilingual child and I think with the limited funds we would have, our desire would be to focus it on those children so that they would acquire the English language skill as promptly as possible, and so that they would be able to stay abreast until they acquire it.

We do not have enough money, as Mr. Corrada indicated, to take care of all of those children.

I think that, to the extent that the schools want to do that, that is fine. Whether you want to make it a Federal priority or not is the issue, and I am just not clear that we ought to make that a Federal priority.

Mr. KILDEE. I am going to follow this just a little bit further, Mr. Chairman, if I may. We are, as Mr. Corrada mentioned, probably the most monolingual country in the world. When we do help students gain proficiency in English in a bilingual program and also maintain proficiency in a non-English language, have we not both helped the individual but also helped society; if this country has more bilingual people in trade and commerce with the rest of the world, are we not all enriched by that?

Secretary CALIFANO. I think we are all enriched. There are many, many languages for people to learn. I go back to the point: What is the Federal role? What is the role of the Federal Government in that area. And I think every State in the Union, every school district and every university has to measure its priorities and see to what extent they want to do that. I think there are a tremendous number of needy children in the bilingual area for whom it will be a lot more important to learn English and keep up with the subjects in their own language until they learn English than it will be to continue to maintain and enhance after they learn English, their bilingual status with the funds we currently have available.

Chairman PERKINS. Mr. Pressler?

Mr. PRESSLER. Mr. Secretary, I have a question which would arise from page 26 of your testimony. The Douglas school near the Ellsworth Air Force Base in South Dakota is very concerned about impact aid, and there we have a county situation. I note in your testimony you say payments for "B" children who live outside the county in which the school district is located will be eliminated. And I know that you probably cannot respond specifically to the Ellsworth Air Force Base and the Douglas school that is located there, but what about a situation where you have a multi-county situation feeding into one of the impact aid schools?

Secretary CALIFANO. Well, our proposal would say that where an individual is living in the county and where he is working on a Federal installation outside the county that there would not be impact aid provided for the child going to the school in the county in which the individual is living.

Mr. PRESSLER. So some of the students probably would not be covered?

Secretary CALIFANO. I am not familiar——

Mr. PRESSLER. OK. I will provide that specific question to your office.

Another area that I am concerned about is I represent a lot of rural schools. I notice under your title I changes, I am just afraid that some of these targeted areas might be the great urban centers and we might forget about some of these very small town rural areas. What provisions will there be to protect the interests under your revised plans for title I for some of these rural schools?

Secretary CALIFANO. There, about 25 percent of the funding will go to rural schools under our targeting provision and 2,900 rural districts would qualify for funds under our targeting provision. That is why we put the provision in for the 20-percent of the children in addition to the 5,000 children. Either of those standards.

So a significant amount of that money would go to rural areas.

They would receive about $95 million, a little more than $95 million, of the $400, maybe $100 million.

Those poverty areas, and there are many in rural areas with 40 percent or more, would realize increases of 29 percent or more in title I aid.

Mr. **Pressler**. Finally, my office——

Secretary **Califano**. For whatever it is worth, I am handed a note that your district would get a 14-percent increase in title I aid in fiscal 1979 if that provision were in effect.

Mr. **Pressler**. I should point out that there are many areas outside my district in South Dakota that I do not think will fare so well, and I am concerned with the welfare of the whole State.

Mr. Secretary, I also want to ask a question on the talented and gifted. I know that presently the funding for talented students is under special projects, we do not have a seperate title for those talented and gifted students. My office is currently trying to draft some legislation on talented and gifted students, or an expansion in that area, for some of those students who have great gifts in mathematics or music or elsewhere that might well be going to waste.

Does your administration have any plans to support legislation along these lines?

Secretary **Califano**. We support providing assistance for talented and gifted students. You know, from the viewpoint of any administrator, the less categorical we are, the better off the administrator is. We would provide that support, I believe, through the Special Projects Act, and we do have some special provisions in here for talented poor students as well. States may also serve these children under title IVC.

Finally, Mr. Pressler, I am handed another note that says that your entire State would benefit by 17 percent——

Mr. **Pressler**. That is good to know.

Secretary **Califano**. ——under the targeting provision.

Mr. **Pressler**. Good. We need the money and we are counting on it now.

Thank you very much.

Chairman **Perkins**. Mr. Miller?

Mr. **Miller**. Thank you, Mr. Chairman.

Mr. Secretary, in your testimony, you discuss the schoolwide projects which, as I read your testimony, is a new section which would allow districts with schools in them that have at least 80 percent of the children from low-income families to carry out schoolwide projects. I assume that one of the purposes is to cut down on the amount of paperwork in identifying the children, making an assumption about their general economic background and would allow for some innovation with the—in your last sentence, you point out—with the current advisory council.

I applaud that effort, and I think it is excellent. One of my concerns would be that after the advisory council signed off, along with the teachers and that full compliment of local input, what else would be required, or what else would you envision? Because my concern would be that a whole host of other people would come in and start checking for compliance.

Let me just tell you, I would favor letting somebody sue. If the parents have signed off and they are happy and the teachers have signed off and the school administrators have signed off, then I think the question of compliance is unnecessary in my State, we make a lot of new law by suing people, especially the school districts in my area.

I just question what do you see as the balance so that this innovation could be carried out?

Secretary **CALIFANO.** We would visualize our function, and the State's function under the increased monitoring obligation that the State would take on, simply to make certain that the school remained an 80 percent school; if it continued in that status, we simply fulfill our obligation to make sure that title I funds were properly used.

It is very much designed to ease the tremendous burden of paperwork which seems senseless in the situation.

Mr. **MILLER.** Let me ask you something that you had considered, or whether it would be reasonable for this committee to consider; extending that philosophy to a school where you do not have 80 percent by virtue of the fact of busing.

One of the complaints that I continue to get is where you bus children into a nontitle I area, a nontitle I school, and then you start segregating them for purposes of tracing the money and the use of that money.

My concern would be in a State, such as California where you have a State effort, an equalization to overcome some of the wounds of disproportionate revenues for children's education, that at some point we once again give the benefit of the doubt so that in a classroom where you may have all children who are educationally deprived or unable to read, but only 50 percent of them are title I children, that we go ahead and allow those moneys to be assimilated in that classroom for the purpose of teaching all of those children.

Secretary **CALIFANO.** Well, if what you are saying is would we take a school that reached 80 percent as a result of children being bused into the school?

Mr. **MILLER.** Would never reach 80 percent.

Secretary **CALIFANO.** Would never reach 80 percent.

Mr. **MILLER.** One of the largest school districts in my district buses a number of children from all black schools into all white schools. They end up in a remedial reading class that is composed 50–50 of title I/nontitle I students. But if you wanted to, as I understand it, to take them on a tour of the library, title I funds could not be used to take nontitle I students on that activity.

I seems to me that at one point we ought to have all children who cannot read participating together. This bookkeeping becomes a real headache to teachers and local administrators.

Now, if my facts are wrong, your staff can correct me. Now I do not think that we ought to allow them to bunch all title I students in a single classroom because that would obviously defeat the purpose of busing, but where you have a number of title I kids in a school, why should we segregate them for special attention; pull them out of classes?

I am not asking you to tell me yes or no, but I am just wondering whether it is a legitimate pursuit.

Secretary CALIFANO. The general "pull out" issue: We propose language in the statute which would make the Federal Government neutral on that subject instead of tilting it toward pulling out, which is the way it is now.

We pick the 80 percent because we are trying it for the first time, and we thought that that was about where we ought to set it. That is a high enough percentage so that no one could argue that the school is overwhelmingly a title I school.

Part of your question goes to a school that would be an 80 percent school but for the fact that some percent of the kids are bused out and other kids are bused in, is that right?

Mr. MILLER. The opposite. You take a suburban school, all white. You have bused a number of children in. It is a nontitle I school, nontitle I area. The money must be traced and be spent on each of those title I children, not to support the general education of those other children.

My point is, in a classroom of 30 where 15 are title I and 15 are not title I, is it not reasonable that we can assimilate the money and teach those 30 children how to read without the bookkeeping of tracing the money? Assuming that there is some benefit to busing, if we have to segregate kids again to teach them to read in special programs, why did we bus them?

Secretary CALIFANO. We are neutral on whether you pull them out of the classroom or not in the way we have changed the statute.

Mr. MILLER. OK.

Secretary CALIFANO. How you treat a kid, whether you pull an individual child out or not pull them out in terms of getting compensatory reading or mathematics, we now very much leave up to that school to do. But the title I funds would have to be spent on the title I kids. The nontitle I kids in that school would not get the title I funds as we have proposed the statute.

Mr. MILLER. They would on the schoolwide program, 20 percent of them would.

Secretary CALIFANO. That is correct.

Mr. MILLER. Thank you.

Chairman PERKINS. Mrs. Pettis.

Mr. MILLER. Mr. Chairman, excuse me——

Chairman PERKINS. All right.

Mr. MILLER. I was not in when Mr. Corrada started his first question, but I did hear your responses to Mr. Kildee. Is it fair to say under the bilingual in the change of language and also from your statement that you are seeking to help those children who are most in need, that this is in recognition of the fact that this is, in fact, a transitional program to make them capable of learning in the English language?

Secretary CALIFANO. No. That area has become, I mean, it is almost like the Torah, there are so many code words in that area. I would like to stay away from the code words and just explain the substance. The overriding objective of the program is to teach those children English and we want to make sure that, pending their becoming proficient in English, they know their own language well enough so that they can absorb the subjects and stay abreast of the students that do not have an English-speaking problem.

Mr. MILLER. Thank you.

Chairman PERKINS. Mrs. Pettis.

Mrs. PETTIS. Thank you, Mr. Chairman.

Mr. Secretary, on your chart here that gives State totals, a comparison of fiscal year 1979 title I LEA grants, I am concerned about the way the concentration program under title I would work. Why is it that New York would get approximately $70 million and California only $29 million?

Secretary CALIFANO. It is because New York would have more students, more districts, that met either the 5,000 students per district or 20 percent in poverty per district standard, and we can give you a more detailed breakout, but that is the formula and that is what happens under that formula.

Mrs. PETTIS. I have a breakout that shows California having, for instance, 595,765 poor as opposed to New York's 526,402. Now, of the——

Secretary CALIFANO. What are you——

Mrs. PETTIS. This is the breakout that I have personally. You are saying that the breakout, we arrive at this figure because of the fact that there are more poor in New York, more poor title I students?

Secretary CALIFANO. If you take the standard of either 5,000 students in a school district being title I students or 20 percent of the students in a school district being title I students and distribute the targeted money that way, you get the funds that are indicated in the table that we submitted.

Mrs. PETTIS. What evidence do we have that these students are more needy than the children——

Secretary CALIFANO. Well, we do have some evidence of that. We have studies which indicate that where there are high concentrations of poor students there are more difficult problems in teaching those students. We have studies that show the concentrations of poverty, and we will submit them for the record, have a negative effect on individual achievement, that students from poor families and high poverty urban and rural areas do worse than students from poor families do in affluent areas.

And we have studies indicating that more compensatory time is needed where there are very high concentrations of poor children.

I would be happy to submit that and have NIE submit all of that for the record.

[The information follows:]

IMPACT AID: EFFECT OF ADMINISTRATION'S PROPOSAL ON PAYMENTS TO THE 50 MOST HEAVILY IMPACTED DISTRICTS[1]

	1978		1979	
	Current law (tier 2 A and B payments)[2]	Current law (tier 2 A and B payments)[2]	Administration proposal[3]	Administration proposal compared with current law in 1979 (column 3-column 2)
School Districts	(1)	(2)	(3)	(4)
Chinle, Ariz	$2,410,647	$2,627,604	$2,627,155	—449
Fort Leavenworth, Kan	1,544,386	1,683,381	1,686,155	+2,774
Nett Lake, Minn	95,629	113,617	113,617	0
Rocky Boy, Mont	283,635	260,112	260,112	0
Ingebretson, N. Dak	93,503	101,918	103,081	+1,163
Fort Totten, N. Dak	135,862	148,078	148,078	0
Couture, N. Dak	449,974	490,472	497,868	+7,396
San Vincente, Tex	20,411	22,248	22,248	0
Wellpinit, Wash	150,706	164,629	165,360	+731
Mandaree, N. Dak	124,712	135,936	135,898	—38
Sacaton, Ariz	537,930	586,344	586,344	0
Whiteriver, Ariz	681,118	742,418	742,418	0
Fort Huachuca, Ariz	970,457	1,057,798	1,058,282	+484
Indian Oasis, Ariz	662,690	722,332	722,332	0
Kayenta, Ariz	971,896	1,059,367	1,059,367	0
McNary, Ariz	60,393	65,828	65,828	0
Heart Butte, Mont	147,984	161,303	161,641	+338
Brockton, Mont	48,277	52,522	52,658	+36
Peach Springs, Ariz	101,705	110,858	110,689	—169
St. Mary's City, Alaska	116,922	127,445	127,445	0
Chevilon Butte, Ariz	21,523	23,460	23,219	—241
Chawanakee, Calif	22,558	24,588	24,588	0
Horse Mesa, Ariz	10,649	11,607	11,607	0
Navajo Compressor Statin, Ariz	9,525	10,384	10,384	0
Rice, Ariz	703,213	765,411	765,391	—20
Lackland, Tex	859,213	936,543	939,395	+2,852
Redlake, Minn	557,816	608,022	607,777	—243
Alchesay, Ariz	201,682	219,833	219,833	0
Window Rock Ariz	1,714,020	1,868,218	1,867,785	—496
Fort Sam Houston, Tex	1,378 907	1,503,009	1,529,640	+26,631
Randolph Field, Tex	1,190,334	1,297,464	1,313,133	+15,669
Travis, Calif	1,778,126	1,938,158	1,947,208	+9,050
Keams Canyon, Ariz	459,001	500,311	500,311	0
Kadoka, S. Dak	225,846	246,171	246,009	—162
Lame Deer, Mont	209,833	228,717	228,228	—489
Ganado, Ariz	971,624	1,059,070	1,059,070	0
Twin Buttes, N. Dak	68,450	74,609	74,547	−62
Dulce, N. Mex	391,327	426,547	429,298	+2,751
Smee, S. Dak	132,224	144,124	144,577	+453
Shannon County, S. Dak	1,190,054	1,297,159	1,299,501	+2,342
Box Elder, Mont	134,524	146,631	146,585	−46
Galina City, Alaska	135,611	147,815	147,674	−141
Tahola, Wash	204,853	223,290	223,400	+110
Fort Yates, N. Dak	245,008	267,060	272,132	+5,072
Alaska State Department of Education	39,938,801	43,533,293	43,823,592	+290,299
Browning, Mont	384,081	418,649	419,999	+1,350
Nespelem, Wash	80,626	87,883	91,924	+4,041
Grand Canyon, Ariz	131,995	143,875	145,337	+1,462
Fort Peck, Mont	70,255	76,578	77,163	+585
Macy, Nebr	291,368	317,590	361,299	−1,291
Total	64,275,875	67,913,300	69,304,789	+1,391,489

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[1] The most heavily impacted districts were identified using 1977 program data, whole the cost estimates are based on 1976 payment data. As a result, some districts which were new to the program in 1977 (usually as a result of district reorganizations) are not included on this listing.

[2] Current law amounts represent only payments for children counted under sec. 3 (a) and (b) of Public Law 81-874 (including public housing children). No amounts are included for Sec. 2, 6, or hold harmless provisions.

[3] The estimates for the administration's proposal represent A and B payments, level funding of public housing, and the proposed new hold harmless provision.

Mrs. PETTIS. Let's move on to impact aid then—and I would appreciate that for the record.

Secretary CALIFANO. If I might make one other point that somebody just reminded me of, there are two other things. One that there are higher costs of education in high poverty concentrated urban areas and there are much less adequate tax bases in high poverty concentrated rural areas in terms of the property tax basis, just to lay out all of our thinking on that.

Mrs. PETTIS. Thank you.

Why does your impact aid proposal treat all B children alike? Does not the Soldiers and Sailors Relief Act mean that the presence of uniformed personnel deprives the State of revenue that would be present if that employee were not in the military?

Secretary CALIFANO. Maybe that act so provides. I just do not know what that act provides. If you are offering to vote for us on impact aid if we exclude soldiers, sailors, and marines, we might be able to make a deal.

Mrs. PETTIS. What will the effect of your impact aid changes be on the 50 most heavily impacted LEA's as measured by percentages of federally connected children?

Secretary CALIFANO. I would like to submit that for the record, if I might.

Mrs. PETTIS. I would appreciate having it submitted for the record.

In my area, for instance, in the San Bernadino, Calif., School District, we will lose, according to your new plan, 30 percent of our school moneys. In the little school district of Adalanto, which is adjacent to a large airbase in my district, 57.5 percent of the school moneys come from impact aid. They do not know where they are going to get it, and I do not either, because of the lack of tax base.

Secretary CALIFANO. I will have to confirm or argue with those numbers on a more detailed study. I would also note that you have to look at the whole array of these programs. It is possible that districts might benefit. Districts lose a modest amount of impact aid, I think there is only a loss of $76 million when this goes into effect. Many of those districts receive substantial amounts of other aid. Now, that may not be true in your district. I cannot answer that.

Mrs. PETTIS. Thank you very much, Mr. Secretary.

Chairman PERKINS. Why don't we go around for 10 minutes the second time.

Mr. FORD. Mr. Secretary, I know that this has been a long and arduous day for you and I will not belabor you with the literally dozens of questions that have been suggested by your presentation. I would like you to leave here, however, with some clear understanding that some of us are more than a little bit disturbed with your willingness to stick to the title I formula as the basis for everything else that you do.

As far back as 1965, some of us realized that the formula inherently advantaged certain parts of the country. This worked against other parts of the country with respect to what it did in picking up percentages of poor. The base of the problem is that we have always had to deal with an arbitrary definition of poverty.

In my opinion, the arbitrary definition of poverty that we have now is worse than the one that we had when we were back at the $2,000 figure, which was as arbitrary as one could achieve. And it has been very clear—especially since 1974 when the AFDC children were removed from the title I count—that this formula continues to react as if we grabbed the country by the three States up there in the Northeast that Mr. Goldwater wanted to saw off in 1964 and lifted and tilted the whole country. You can see, like chess pieces, where all of the money goes. It creates the unfortunate assumption that there are not any poor people in the urban North.

The effect is compounded when you first continue using the title I formula and then also rely on it for determining concentrations to appropriate another $400 million. And that is one of the reasons why you are being questioned in this manner.

We have some computer runs to show what happens when you simply throw more money into the existing title I formula.

Mr. Miller touched on another part of the problem. Apparently you are prepared to leave us stuck with the present situation in large cities where we utilize census data to determine where title I children are and then we put them on a bus and take them someplace else. You stated you wanted title I money to be spent on title I children, but utilizing the existing system, when we take a title I child out of a title I school and take him somewhere else to advance his education, we disqualify him for all assistance because that school does not have a title I program. And in the anxiety of some people to make sure that the funds are concentrated on title I children, you create a situation in which the children are resegregated.

I take it from your response about leaving title I alone that you are talking about retaining the comparability requirements and the concentration requirements that are in the present formula. This means that a big city school district has to select out those schools which according to census data have title I pupils without regard to who is actually going to the school.

I would have hoped that we would take this opportunity to do something about this problem because it is driving big city school administrators crazy. They're having a difficult time trying to explain to their citizens that they are helping their children by taking them out of remedial reading programs and putting them in another school which is so wealthy that no remedial reading program is eligible.

Do you think there is any possibility we can work toward some easing of that requirement?

Secretary CALIFANO. Our judgment, for what it is worth, Mr. Ford, is that we would prefer to leave this statute, at this time, as it is, as it is on that score, as well as on the allocation formula. We would prefer to wait until we get the 1980 census before we deal with either of those problems and see what happens then.

Mr. FORD. Over the years I have consistently opposed Mr. Quie's proposals for distributing money based on testing. But if we are going to persist in a measure of poverty that makes absolutely no sense to the people whom I represent in the State of Michigan, then I am going to be tempted to try to support alternatives.

I would have hoped on the basis of the NIE study and the studies that are already in the record in this committee that you would be looking at a new funding formula.

Each year that goes by, the Orshansky formula becomes more and more discriminatory on an almost exactly geographical basis of targeting. I would like to find a way of developing a formula that would do as much as your formula does for the rural south and at the same time leave some of the money for the urban north. I am afraid that after all of the things that have been said about concern for big city poor by this administration, that the combination of the new initiatives piled on top of the already imperfect formula is not going to have the effect of helping them. It is going to compound the inequities that already exist in distributing resources.

Secretary Califano. Mr. Ford, let me just note that two-thirds of that $400 million, two-thirds of it, goes to big cities in this country, so that it is very much, if you will, skewed towards large cities.

Second, there are a whopping host of other increases in the President's budget dealing with urban problems. A lot of the title I part A money goes to the big cities. There is a 65 percent increase in housing programs that is targeted at urban areas. There is a tremendous targeting in the youth unemployment programs and the CETA program targeted at urban areas and targeted at minorities in urban areas and I think that the——

Chairman Perkins. Would the gentleman yield, I just wanted to inform him that Detroit picks up 45 percent more money.

Mr. Ford. But I would note for the chairman that, when I look at the targeting between Alabama and California, for example, I find that with one-seventh of the population of California, Alabama picks up more than one-third of the number of dollars that the targeting formula provides. Now, one has to ask why and the answer is Orshansky. That is really that simple.

Mr. Buchanan. If the gentleman would yield. It is also due to a certain difference in using population figures.

Chairman Perkins. Have a higher concentration.

Mr. Ford. We are talking about questions of relative poverty and the fact remains that you can live in the center of the ghetto in the large cities in the north and not meet the Orshansky formula because we pay more on welfare than Orshansky does to begin with, and that is where we got hurt when we cut back on counting total AFDC in 1974.

But nothing has been done since 1974 to ameliorate the damage that it did to the overall formula. There is no question that counting the AFDC children provided a prejudice in the formula in favor of the large urbanized pockets of poverty. But that was acceptable for a number of years beacuse it was clearly understood that it existed to offset the clear bias in the basic formula in the other direction.

We removed one set of weights from the scale, and it has been off of the scale ever since.

Chairman Perkins. Mr. Buchanan?

Mr. Buchanan. Perhaps the gentleman will agree that this is not a choice we ought to have to make. If you had adequate funding—and I apreciate that you have moved in that direction—we ought not to choose between education of disadvantaged children and disadvantaged children on an economic basis. We ought not to have to choose between California or Michigan or Alabama.

I just think increased levels of funding are what we need the most.

Mr. Ford. If you assume an 80 percent correlation between poverty and educational need, this does not put the money in proper proportion where the 80 percent is truly found in this country.

Because the Orshansky formula now says that you are poor with a family of four with $5,800. This is laughable in most of the country and it is almost tragic even in Alabama. But there is a very distinct difference between the level of poverty in the big cities and the level of poverty in——

Chairman **Perkins**. Will the gentleman yield to me?

Mr. **Ford** [continuing]. In the rural south.

Chairman **Perkins**. Will the gentleman yield to me?

I would like for the gentleman to come before us with some formula that is intended to reach the disadvantaged to a greater degree than Orshansky.

Mr. **Ford**. Well, one of the things that has swung me around towards Mr. Quie's testing is to discover that in putting out compensatory money in my State, the city with the largest number and the highest percentage of poor children when measured in my State is the city of Detroit and it does better with testing than it does with the Title I formula.

Chairman **Perkins**. If the gentleman would yield, if we inted to take care of your suburban areas, we are going to have to climb way up the ladder. But I just do not see that we can do that with the amount of money unless we want to forget about the concentrations of poor kids in this country.

Mr. **Ford**. Well, Carl, we may have to, at some point, decide on how we are going to do it in order to get support for the American public school system from a formula that is perceived in many parts of the country now to be patently unfair. And I am not trying to argue with the Secretary but I want him to be on notice that I am not speaking alone when I say this, that this is a feeling that has built over a long period of time and it is very strongly felt by many of us——

Chairman **Perkins**. Would the gentleman yield further, we have to make a decision——

Mr. **Ford**. I am willing to go with all the hold harmless things to let them keep what they have ripped off in the past, but if you are going to put a lot more money out and say that you are trying to help the poor people in this country where they are found in high concentrations, I am afraid your program does not do it.

Chairman **Perkins**. Time is running out. We will come right back.

[A brief recess was taken.]

Chairman **Perkins**. Mr. Kildee, any questions?

Mr. **Kildee**. I have no questions.

Chairman **Perkins**. I think we ought to take a couple of minutes until Mr. Ford gets back. He will surely be back.

Mr. **Kildee**. Until the others come, I will ask some questions.

This legislation was passed while I was in the legislature, and I have to admit that there has been a certain vagueness in that was developed somewhat out of voc education. But now is looked upon as more of an umbrella relating the world of education to the world of work, and should permeate—at least that is the way we perceive it in Michigan, all of education.

Has there been any thought given in HEW to, if you do recommend funding, which I wish you would, that inservice training for teachers would be a proper spot for funding for career education so that they would be aware of what their role was in this field.

Secretary **Califano**. I think, even under other programs, whether we use the teacher centers as they expand and grow, or whether we use some of the money related to youth unemployment in the CETA program that in-service training for teachers is an appropriate use of those funds.

We would like to work out, if we can, with the Labor Department, some demonstrations around the country of work-study programs. I do not see why we cannot take the college analogue, only make it a little more career-oriented, and use it at the high school level, and part of doing that is to get teachers trained; so it makes sense.

Mr. **Kildee**. I think that is really the way we are trying to handle it in Michigan, to make the teachers aware of their role in helping the student relate what they are doing in schools to the world of work outside or even somewhat to how they spend their recreational time outside, but to relate that in some way.

I think that inservice training for the teachers that are there. Hopefully the teachers colleges would do some preservice training, although they have not always been that avant garde—in looking down the road to the changes in education.

Chairman **Perkins**. Let me ask unanimous consent that all members who may wish to do so may submit questions and interrogatories for an answer from the Secretary for the record. Mr. Quie, for one, asked me to seek permission, and any other members who may wish to do so may do likewise.

Is there objection to the request? The Chair hears none and it is agreed to.

Mr. Buchanan?

Mr. **Buchanan**. Mr. Chairman, may I further ask the Secretary in that regard, since I understand we are moving toward markup next week, if there could be a timely response. I know the gentleman from Minnesota, Mr. Quie, has some questions and I do as well, Mr. Chairman, have some additional questions which I will try to limit. Timely responses would make the difference between having them before the markup and having them after, and we would not impose further on your time.

Secretary **Califano**. If we can get those questions by tonight or tomorrow, we will answer them this week.

Mr. **Buchanan**. Thank you.

Secretary **Califano**. Mr. Chairman, I should note for the record that at least—I mentioned your staff, but I should note that you have been very generous in letting us draw on Jack Jennings' time and it has made a tremendous difference in this piece of legislation. I do not want him to bear any responsibility for the disagreements among the committee, but he has been a phenomenal aid to me.

Chairman **Perkins**. Let me say, Mr. Secretary, that if there has ever been a Secretary of HEW that has been so persevering as yourself and so clear and concise in bringing a problem before the committee, I have never met that Secretary. Your testimony today has just been wonderful in so far as this committee is concerned.

You have been most helpful and I know that all of the members who did not hear you will read your testimony before the markup. I think we have held you here, now, for 3 hours and I personally feel that we could add very little in continuing to question you, but I certainly appreciate your appearance here today. I want to thank you for coming and we will all look forward to working with you in the future.

Secretary CALIFANO. Thank you, Mr. Chairman.

Chairman PERKINS. Thank you.

[Thereupon, at 5 p.m., the hearing in the above-entitled matter adjourned.]

PART 21: THE ADMINISTRATION'S PROPOSALS FOR ELEMENTARY AND SECONDARY EDUCATION

MONDAY, MARCH 6, 1978

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2 p.m. in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Members present: Representatives Perkins, LeFante, Weiss, Kildee, Miller, Pettis, and Pressler.

Staff present: John F. Jennings, majority counsel; Christopher Cross, minority staff director; and Nancy L. Kober, staff assistant.

Chairman Perkins. Today the Subcommittee on Elementary, Secondary, and Vocational Education is completing hearings on legislation to extend and amend all of the expiring elementary and secondary education programs.

This afternoon marks the 58th hearing on these programs. This evening, the subcommittee will travel to Alexandria, Va., for a hearing on the impact aid programs.

On Wednesday, the subcommittee will begin marking up the Education Amendments of 1978. We have numerous bills and amendments before us regarding these programs, and during markup we will attempt to sort out the best parts of all these proposals and forge from them a coherent, sensible package of aid to education.

Last week the President unveiled the administration's proposals for elementary and secondary education, which several members of the subcommittee and I subsequently introduced as a bill, H.R. 11282. Today we will hear from Commissioner of Education Ernest Boyer, who will elaborate on how their legislative package will improve administration of these programs and cut down on paperwork.

We will also hear from several public witnesses, and I invite you all to give us your views on the administration's bill or any of the other bills to be considered during markup.

I would just like to state that your views and all of the witnesses in previous hearings will be invaluable to the members as we attempt to decide which amendments will most benefit our Nation's schools and school children. But inasmuch as we have 16 witnesses this afternoon and nearly 30 witnesses to cover this evening, we would appreciate greatly if all of you could briefly summarize your testimony in about 5 minutes. Your complete statements will, of course, be inserted in full in the record.

I don't believe Congressman Preyer has come over yet from the House Chamber. I don't see him in the room.

Congressman Treen, go ahead.

STATEMENT OF HON. DAVID C. TREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. TREEN. Thank you, Mr. Chairman, for this opportunity of testifying briefly. I do have a prepared statement, Mr. Chairman.

Chairman PERKINS. Without objection, your prepared statement will be inserted in the record.

[The prepared statement of Mr. Treen follows:]

TESTIMONY OF
CONGRESSMAN DAVID C. TREEN

I appreciate this opportunity to comment on the President's proposals to extend and expand the Elementary and Secondary Education Act. I will confine my remarks to the compensatory education aspects of that proposal which involve the amendment of Title I of ESEA.

I would like to begin by commending this committee for examining this subject in depth --- holding many, many hearings before the Administration was prepared to make its recommendations. If every committee would examine existing programs as thoroughly as you have before reauthorizing them, I believe we could save the taxpayers a lot of money on old programs that just don't work.

That is my concern today. We've spent billions of dollars on Title I since 1965. What have been the results? This past Tuesday the Secretary of Health, Education and Welfare told you:

> ...many students are not mastering the fundamentals of education. For example, according to the National Assessment of Educational Progress, 12 percent of the 17 year olds in 1975 were functionally illiterate and 34 percent could not determine the most economical size of a simple consumer prodcut. And we know that, among disadvantaged students, gains in basic skills made during the school year are often lost during the summer months, and gains made during the early grades are often not sustained in secondary school.

I have to admire Mr. Califano's frankness in discussing the situation that confronts us. Others, perhaps afraid that Congress will end the funding of their pet projects, have not been as forthright. Some would rather criticize the tests than learn from their results. I hope you were as shocked as I was to read in the Washington Post last Friday of the recommendation Secretary Califano received from the panel of "prestigious education researchers" he had asked to advise him on national or statewide minimum competency exams for high school seniors. It warned the Secretary against giving such exams, to quote the Post, "saying so many would fail a respectable test that it would be politically unacceptable." It suggested that such tests would be especially unfair to the class graduating this May --- the first class to graduate to have had the benefit of the Elementary and Secondary Education Act for a full 12 academic years.

With that record, I just don't understand how the President can seriously recommend that we not only extend Title I but increase funding even more. And he proposes to do so on what my colleague Al Quie has referred to as "the outlandish assumption that being economically poor is equivalent to being educationally disadvantaged".

The President's proposal to target $400 million in additional funds to those areas with the heaviest concentrations of children from low-income families perpetuates the present lack of correlation between educational needs and the funding formula of the present program. As

Dr. James Miller, superintendent of public schools in Santa Fe, New Mexico has said, "While we recognize the original political necessity of placing ESEA under the War on Poverty aegis, we believe the time has come to remove these funds from general social action and to concentrate them solely on education."

As part of the War on Poverty legacy, Title I ignores the home situation, I.Q. motivation, teacher dedication and preparation, discipline, the emphasis on basic skills and academic rigor in school curriculums and most of all the other factors that groups like that which advised Secretary Califano on competency testing say are at the root of underachievement in our schools. It concentrates instead on money and the lack thereof.

More money does not guarantee more education or better education. It is interesting that students from the State of New Hampshire which spends a smaller amount per student ($1175) consistently score higher on Scholastic Aptitude Tests (SAT) than the students of Massachusetts. And Massachusetts, with a very high expenditure per pupil ($1690) has a much higher per pupil expenditure than the average for the U.S. ($1251).

Yet President Carter proposes few changes other than increased funding for the Title I program without any concrete evidence that it has given us positive results. In fact, the General Accounting Office in a report issued September 8, 1977 questioned whether the models now being employed to evaluate Title I could provide valid and acceptable data on which to draw any conclusions.

I was especially interested in a recent column by William Raspberry in the February 13 Washington Post appropriately headlined "For Ailing Schools, Home Remedies Are Best". Mr. Raspberry cited a special in-house review done by the Office of Education summarizing a number of studies of ESEA programs. That study found "that most projects funded by these programs were designed primarily to take advantage of the availability of federal money and as a result lacked support and commitment from key teachers, principals and administrators. Projects generated with this attitude never seriously attempted or implemented change ... differences in educational methods and funding levels had little or no effect on differences of project outcomes...."

With all due respect to my colleague Al Quie, I do not believe that his proposal to tie the Title I formula to educational underachievement will vastly alter this phenomenon. I recall Murray Kempton's remarks on the CBS Radio program Spectrum of May 10, 1977:

> New York is moving vastly to expand its special classes for the Socially Maladjusted and Emotionally Distrubed ... The increased staff for this program will be drawn from laid-off teachers qualified not by particular training with troubled or retarded children but by their standing on a seniority list. This caricature of useful assistance to the unfortunate has the solitary virtue of being eligible for federal funds. There

> are even reports that the New York school system hopes within a year to be able to certify 40 percent of its pupils as in some way or another handicapped ... the New York school system is our largest factory for producing the handicapped and ... this output of social disaster now entitles it to the highest claim on federal subsidies. HEW's richest rewards await those who have proved their ability to fail.

General federal assistance to our schools is inherently noncost-effective. It is because it ignores the chief finding of that in-house Office of Education study Mr. Raspberry quoted: "The biggest factor in the success of an educational program is not the content of the program but how the program comes into being. If it is developed cooperatively by the people who will implement it, if it is done under the leadership of a strong, respected principal and if it has the active support of parents then it is likely to work."

To quote specifically from the study, "A Research Perspective on Educational Improvement":

> ....special funding and Federal program policies, guidelines, and management strategies did not influence those features most responsible for project outcomes, namely local motivations and support and project implementation strategies that were based on school districts internal factors and local decisions. On the basis of this research, what can be said about the necessary conditions for improving the quality of elementary and secondary education? Provide funds only when the people who are going to implement the program want it, design it, and think it will help them address a problem they think is important ... no

> improvement in the quality of schooling is likely unless the people in individual schools, in concert with the people they serve ... have the sense that they are sufficiently free of bureaucratic intervention that it is worth investing time and energy in the effort to improve their school.

Let me add, worth investing money. The decision to fund or not to fund should be made by local officials representing both those who pay the taxes and those who use individual schools. Given that opportunity, Americans have been generous. In the 10 years before ESEA, school revenues increased 156% from $8.5 billion to $21.8 billion with at least 95% of the money coming from state and local sources. They have been much less inclined to pass school bond issues as they have seen school boards lose control over decisionmaking and programs funded with federal dollars that have little or no local support.

To the extent that the states need federal assistance, they need it because the federal tax load has discouraged voters from supporting new state and local taxes. That can be resolved through an approach which I call "Educational Revenue Source Sharing". There are a number of ways this can be done. You will recall that in 1973 I proposed the repeal of one of the federal excise taxes that yielded more revenue to the federal government than Title I returned to the states. This could also be accomplished by providing those who pay state and local school taxes a credit against their federal income taxes.

The Ways and Means Committee is considering tuition relief legislation at this time and there is no reason that they should not also be considering federal tax policies to aid our public schools. A revenue source-sharing proposal would permit states to raise state and local taxes sufficiently to cover the Title I funds which would be lost if this program expires. It would do so without raising the total tax bill of the state's citizens ... but it would free the state of the expense and the time devoted to preparing the 24 pounds of forms that the Georgia Superintendent of Public Education says that obtaining federal funding for education requires --- time that could be better spent devising local strategies to meet local educational problems.

I shall send the committee a copy of a specific proposal in this area when I share it with the Ways and Means Committee.

I appreciate very much this opportunity to share my thoughts with you.

Mr. **Treen.** I candidly admit that what I am going to suggest here is not going to be popular with the majority of this committee, although I would hope that it would be. I would hope that some of the things that I suggest would lead to some further look at the overall question of Federal funding of elementary and secondary education, and particularly, the general type of Federal aid to education.

I know, Mr. Chairman, you and I have had some colloquy about this general issue on the floor. The chairman may recall, my position generally has been one of extreme caution about moving more and more into funding of education on the elementary and secondary level by the Federal Government because of my concern that this will inevitably bring greater and greater control at the national level of our local schools.

For a variety of reasons, I believe that is not in the best interests of education.

I am very concerned that the President's proposals for elementary and secondary education, combined with his recommendation to the Congress that we create a separate Department of Education, will be means by which we will move more deeply into Federal involvement in local education. I have no quarrel with the goal of improving education. Indeed, that is the reason I am here to talk about this. It is not an area in which I have any particular expertise and it is not a subject in which either of my committees has jurisdiction. I am here as an interested citizen and an interested Congressman.

I'm here to ask you to carefully reexamine the idea, which seems to be fashionable, that the way to improve education at the elementary and secondary level is by additional funding and with that, additional direction from the Federal level.

We have spent considerable sums of money since title I came into being in 1965, and I don't think that the results of that experiment argue well for those who would argue we continue it. Secretary Califano testified frankly before this committee last week about the level of functional illiteracy, among 17-year-olds, raising some very serious questions about the gains that we have made in elementary and secondary education.

I was very much shocked, Mr. Chairman and members of the committee, to read in the *Washington Post* just last Friday of the recommendation that the Secretary had received from a panel of "prestigious education researchers" whom he had asked to advise him on national or statewide minimum competency exams for high school seniors. The advisers warned the Secretary against giving such exams, to quote the *Washington Post*, "Saying so many would fail a respectable test it would be politically unacceptable." It is suggested such tests would be especially unfair to the class graduating this May—and that is the first class to graduate that has had the benefit of the Elementary and Secondary Education Act for a full 12 academic years. With that sort of record, I don't understand how the President could seriously recommend we not only extend title I, but we increase the funding even more.

And he proposes to do so on what my colleague, Al Quie, has referred to as "the outlandish assumption being economically poor is the equivalent to being economically disadvantaged."

The President's proposal to target $400 million in additional funds to these areas with the heaviest concentration of children from the low-income families perpetuates that lack of correlation between education needs and the funding formula of present programs.

As Dr. James Miller, superintendent of public schools in Santa Fe, N. Mex., has said:

> While we recognize the original political necessity of placing ESEA under the war on poverty aegis, we believe the time has come to remove those funds from general social action and to concentrate them solely on education.

In my judgment, more money does not guarantee more education or better education. It is interesting to note students from the State of New Hampshire, which spends $1,175 per student, consistently score higher on scholastic aptitude tests than the students of Massachusetts, with an expenditure per pupil of $1,690.

I hope that the members of this committee have read the Office of Education report—which was cited by William Raspberry in a February 13 Washington Post column appropriately headlined "For Ailing Schools, Home Remedies are Best."

Mr. Raspberry cited a special in-house review done by the Office of Education summarizing a number of studies of ESEA programs. That study found:

> Most projects funded by these programs were designed primarily to take advantage of the availability of federal money and as a result lacked support and commitment from key teachers, principals and administrators. Projects generated with this attitude never seriously attempted or implemented change . . . differences in educational methods and funding levels had little or no effect on differences of project outcomes.

Another part of the same report says—and I quote:

> The biggest factor in the success of an education program is not the content of the program but how the program comes into being. If it is developed cooperatively by the people who will implement it, if it is done under the leadership of a strong respected principal and if it has the active support of parents, then it is likely to work.

So, Mr. Chairman, it is my belief that continued and increased funding on the Federal level is not the answer to improving education on the local level. People have to have a belief in the system on the local level and they have to participate in it. We ought to be concerned about the continuing decline in the rate of school bond issues, for school construction and other purposes, that are approved by the voters.

This indicates, I think, that people feel they don't have the input at the local level they should. As we remove more and more the source of support for schools from the local level to the national level, I think this phenomenon is going to be aggravated. People will be looking more and more to the Federal Government for funds and will reduce in roughly direct proportion the funds supplied at the local level.

I would hope this committee now, and in the future, would look at alternatives for educational financing. I have made some recommendations in the past, and I will not go into detail on those. I would hope the committee would look at some of the recommendations that I might send over, and in which I will be joined by some colleagues, to get some revenue back to the States and back to the local school board so they can make their own decisions about education. I have in mind such things as turning back some of the excise taxes. The tobacco excise tax is about the equivalent to the amount of funding given under title I to the various States, not in the same amounts for each State. A tax credit approach may be an answer.

But somehow, a way should be found, it seems to me, Mr. Chairman and members of the committee, to get the control of education back to the local level, back where it belongs.

Chairman **Perkins**. Mr. Miller, questions?

Mr. **Miller**. I want to thank the gentleman for his testimony and say that I think a good number of the members of this committee share his concern about at which point you start substituting Federal wisdom for local wisdom. But I don't think we would equate that with the withdrawal or lessening of Federal support, but I think we have to make it available.

I read Mr. Raspberry's column, too, and I think the idea we somehow create programs in pursuit of Federal dollars rather than in the attainment of education goals is wrong. This is one of the things we are going to try to correct in amendments to this legislation. We share your concern very much.

Thank you.

Mr. **Treen**. There is evidence that school people are designing their programs to fit what they think the bureaucracy will approve rather than what they sincerely believe. That is the approach. But I think that is the tendency with all grant programs. They design them the way they get the results they want, and that is to get the grant approved.

Chairman **Perkins**. Thank you, Mr. Treen, for your testimony. I appreciate your coming. I know that the other members who have not had the opportunity to hear you will read your testimony.

Mr. **Treen**. Thank you, sir.

Chairman **Perkins**. Thank you very much.

Mr. Glickman, we will hear from you now. Without objection, your prepared statement will be inserted in the record.

[The prepared statement of Mr. Glickman follows:]

REMARKS BY HON. DAN GLICKMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. Chairman: Before I came to Congress, I served as President of the School Board of the largest city in my State, Wichita, Kansas, a school system at that time of about 50,000 students. In that job, I became involved in all facets of programs conducted in our elementary and secondary educational institutions. While I am not a member of the Education and Labor Committee, I continue to hold education as one of my highest priorities. As a result, I considered it imperative that the sentiments of the teachers, school boards and school administrators in my District be known with regard to possible improvements in Title I of the Elementary and Secondary Education Act (ESEA). I am sure you will agree that the perspective of those involved in the practical application of Title I is vital to its effective implementation.

Title I programs have had a significant impact in raising the achievement levels of participating students. But, we are all becoming increasingly aware of the alarming fact that the basic skills which we commonly believe should be taught by our educational establishment are being missed by some students. As a result, I think our attentions should be directed toward restructuring existing programs to correct this unfortunate development.

The Administration last week showed evidence of it's feeling that increased federal support should be provided to our educational programs. Mr. Carter's proposed increase in the authorization for ESEA programs should facilitate expansion of the provisions of the law to reach out to larger numbers of needy students. This is the perfect time to revise ESEA to meet today's needs.

Of the comments on ESEA Title I that I solicitated from my constituents involved in the education field, most suggested adjustments to assure that all students who are from impoverished families be afforded opportunities to participate in the Title I programs. Some of the children Congress originally intended to serve, minorities and the economically disadvantaged, are no longer eligible because of where they live or attend school. As we all recognize, in 1965, when ESEA was enacted, there was little desegregation, no court ordered busing, and no voluntary desegregation plans. Now, there are all three.

Let me recount my personal experience in dealing with this change. The Wichita school districts began voluntary desegregation in 1971. Recognizing that successful integration would severely reduce the number of Wichita children eligible for Title I assistance, our School Board successfully persuaded HEW to allow the district to "follow the child" with Title I money. But we knew that what we were permitted to do was not in line with ESEA regulations and interpretations thereof. We found later that requests to do the same were denied other school districts across the country.

In 1976, the Department of Education made Wichita discontinue its follow the child program. HEW, however, never challenged the fact that the Wichita program permitted total achievement of the goals of Title I, namely to reach out to the economically disadvantaged child.

Beyond that, the current "targeting" procedure works against integration. When HEW forced Wichita to comply with Title I regulations as written, after it had voluntarily integrated, we lost funding. That certainly is a disincentive!

If we want to encourage integration and improved educational opportunities, we must develop a program which will allow each and every disadvantaged child, regardless of the child's school attendance, the benefits statutorily provided under Title I of the ESEA. I recognize that because of more complicated administration, this could necessitate increased funding to defray those costs. However, the need for this change is painfully apparent.

While there is a high correlation between economic deprivation and educational need, we must not overlook those children who do not show economic need, but do have an educational one. It has been suggested that ESEA be amended to allor or require LEA's to use Title I funds where there are concentrations of underachieving children rather than those from certain socioeconomic backgrounds. While this, admittedly, would alter the original emphasis of the ESEA, the ultimate goal of assuring the education of all children would be achieved and possibly enhanced. I do feel that any such adjustment should be carefully worded, however, to assure that no students needing help will be excluded.

Another change worthy of consideration would be to increase the LEA's flexibility in planning and implementing the Title I programs. The fullest benefit from this program would be most effectively achieved with increased local participation. This would permit tailoring programs to meet specific local needs. At the very least, the local educational entities should be afforded more flexibility in determining the direction of programming and funding emphases.

On another point, in my district, the Parent Advisory Councils are a vital working part of Title I programs. However, it is my understanding that this is not true nationally. Because of the benefits I saw provided by the PAC's in Wichita when I was on the School Board, I feel more effort should be made to increase participation of PAC's nationally. More parent and teacher input in assessing the needs of students should be used.

I wholeheartedly support the President's increased authorization for ESEA. These programs have never been fully funded, and with the problem worsened by inflation, fewer and fewer students are reached by the program. However, I question the President's proposed increase in allowable administrative costs. No one will disagree with the fact that not enough administrative funds are available. But the answer should not be to automatically increase funding; instead we need to eliminate the unnecessary causes for the expense. I am convinced that we could eliminate some of the costly-to-administer regulations without jeopardizing the intent or fiscal integrity of the Title I programs. I will not quarrel with the fact that some regulations are essential; given our federal budget deficit, we cannot afford to have federal dollars wasted or being funneled to achieve purposes other than those the Congress sets. Still, from my experience with the School Board, I can assure you that we could reach some happy medium.

Further with regard to the burden of shifting Title I to a multi-year basis could prove beneficial, and this should be feasible in that the programs under Title I are forward funded, and therefore there is more time for review. These programs have proven their success, and should be given the chance to expand to longer terms of operation.

From an over-all perspective, I recognize the value of the Title I programs, along with those under other ESEA titles. The obvious conclusion is to further extend the authorization. However, we need to remain cognizant of the improvements that could be made at this time. I am sure you all share my belief that we could do better, and by doing so we can improve the educational opportunities available to American youth. Thank you for your time. I hope you will seriously consider the points I've raised as you work on your legislation.

STATEMENT OF HON. DAN GLICKMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. GLICKMAN. Thank you, Mr. Chairman. I appreciate the opportunity to talk to you.

Before I came to Congress, I served as president of the school board of the largest city in the State of Kansas, Wichita. We had about 50,000 students in this school system. Wichita, Kan., was one of the first cities in the country to engage in large-scale massive school desegregation that was not court ordered. In fact, under the statistics of HEW as well as private organizations, this school system is one of the two or three most integrated in the United States.

However, it was done as a result of HEW pressure.

As a result of these concerns, I come to this committee with a few comments which I think are of critical importance and relevant to the application of title I of the Elementary and Secondary Education Act. These comments were solicited not only from my fellow board members, but from teachers, administrators and parents involved in the operations of title I programs in the city of Wichita and in that particular school district.

As I mentioned, the Wichita school district began integrating approximately in 1971. Recognizing that successful integration would severely reduce the number of Wichita children eligible for title I money, that was part of the consideration for the enactment and the approval of a desegregation plan by which a majority of black children were bused out of their neighborhood to every single school in the school district and a substantial number of white children were bused into the areas that were occupied primarily by black children.

To provide that incentive they said, OK, Wichita, you can take your money and follow the child, even though title I regulations, as of that time through the present time, do not permit that. They generally require, as you are probably well aware, those title I funds are compensatory education funds, and they should be spent where the disadvantaged, where the underprivileged, where the lower income people live rather than where they go to school.

I submit to you that this practice, these particular statutes and regulations which do that put school districts into a Catch 22 situation of unbelievable significance.

In 1976, HEW made Wichita discontinue the practice. The Office of Education said Wichita, you can't do that anymore. You are breaking the law and, in fact, intimated that city would have to pay back to the school district every year's title I funds that were used to follow the child.

Recognizing they had a conflict within the Office of Civil Rights and the Office of Education, within the same bureaucracy, HEW, we were able to work it out where HEW said OK, we realize on the sly we let you go ahead and spend the money to follow the child, but we won't bother about that. From now on, you must use the money in accordance with HEW regulations. However, they never challenged the fact that the Wichita program permitted total achievement of the goals of title I; namely, to reach out to the economically disadvantaged child.

Beyond that, the current targeting—I will let my statement speak for itself. Basically, what I come to you to say today is if we want to encourage integration and improved educational opportunities, we must develop a program which will allow each and every disadvantaged child, regardless of the child's school attendance, the benefits statutorily provided under title I of the ESEA.

I recognize that because of more complicated administration, this could necessitate increased funding to defray those costs. But the need is there. It is very important.

In the city of Wichita, for example, we are spending the same amount of money, or one-third of the same amount of money, where the child goes to school as to put the money were they live as opposed to the reality of being bused all over the town. The money should follow the children.

One of the differences in the HEW regulations that I believe this committee has addressed in some degree and that is, I believe I come to you from probably the school district in the country which has been the most effective in this particular situation and that is the primary point I came to discuss with you today, we want to encourage compensatory education for children from lower income areas and we are working absolutely against them in the form we are doing it.

The other point I would like to emphasize is the importance of parent advisory councils. Because of the nature of Wichita, Kansas' school desegregation activities, we were one of the first systems to have active parent advisory councils and they were so active, their comments accompanied the school district grant application.

I would suggest to you to do whatever you can to try to increase that participation of parent advisory councils.

Other than that, Mr. Chairman, I have no particular comments except to say I know that while this may have been 5 or 6 years ago, it was one of the sexy issues of our time. Education seems to have fallen down. It is no longer that way. It is the soul of life in this country. A lot of people are being excluded from compensatory funds because of busing.

Chairman **Perkins**. Let me say the committee will consider your suggestions, Mr. Glickman.

Mr. Miller, do you have any questions?

Mr. **Miller**. It says you have had some experience working with the parent advisory councils. Would you be prepared to give them a stronger role to the extent of a veto or sign-off on an individual school's budget?

Mr. **Glickman**. You mean on the title I portion of that? I would personally doubt if any administrator would agree to that, whether you call it a veto or some sort of committee process where there is a critical ingredient in that process, I think that is probably a more appropriate way today.

Mr. **Miller**. Veto is a bad word. It indicates an arbitrariness to some point. But would the question, whether they would sign off to the budget, to say that is the program, we want those moneys to be used to help our children, do you think, in your experience, that they have been responsible to the extent you would be willing to give it to them; is that correct?

Mr. Glickman. That is correct. I agree. What happens when you engage in massive busing like we have in Wichita, is the power of parent advisory councils becomes very important and the fact you have children bused 15 miles from home and the members of the parent advisory council are the parents of those kids who live a 25 or 30 miles away from school, getting that important input and doing what you are talking about might increase that kind of input to those parents who live a long way from where these kids go to school.

Chairman **Perkins.** Mr. Pressler?

Mr. Pressler. Mr. Chairman, I want to commend the witness and ask a related question.

I don't see it in your written testimony, but I heard you mention the impact on the handicapped, which is somewhat unrelated, but to a student, I guess the only people worried about the handicapped student are their parents.

I find in my district the parents of the handicapped students are very well informed people. But the general public doesn't pay much attention. How does this relate and what is the effect on the handicapped?

Mr. Glickman. I don't think my statement spoke to the issue of the handicapped child except I am aware that some of our parent advisory councils in various schools have included the focus of the handicapped children when they either sign off or when the grant application is filed, so I don't have any more comments except I think that becomes a valid point when the PAC's make their comments.

Mr. Pressler. Thank you very much.

Chairman **Perkins.** Thank you very much, Mr. Glickman. We are interested, and thank you for calling that to our attention.

We have Judge Preyer, from North Carolina, with us.

Go ahead, Congressman Preyer.

STATEMENT OF HON. RICHARDSON PREYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. Preyer. Thank you, Mr. Chairman. It is a pleasure to be here today. My particular comments will be limited to the part of the administration's proposal of ESAA and how it can aid in our quest for equal education opportunity, an essential element of quality education.

Eight years ago, Prof. Alexander Bickel—the late constitutional lawyer from Yale—perceived the need for Congress to define a national policy with respect to equal educational opportunity. School districts were reeling under court orders, resistance was in vogue and cooperation suffered at the expense of racially spurred tension.

Professor Bickel and I were deeply troubled by the lack of harmony in school districts across the South, and it was easy to see that it was only a matter of time before the same problems would move their way to the rest of the Nation.

So, with Professor Bickel's advice, I introduced the National Educational Opportunities Act, whose purpose was to establish, affirmatively establish, the bond between equality of education and quality of education.

I will omit the three major points of that bill since I know you are pressed for time. Secretary Califano's testimony last week supported many of the tenets of the National Educational Opportunities Act. He stressed voluntarism and the multiyear planning mechanism wherein States and localities would have the opportunity to plan what is best for their own particular needs.

The Secretary's testimony also served to emphasize the Nation's commitment to the 1954 *Brown* v. *Board of Education* decision. I am pleased today the administration, through its ESAA proposal, will be encouraging States and local agencies to become involved in this process. If the State will make use of the funds available to them under ESAA—and there is both a moral and financial incentive to do so—I believe a new day will dawn on general education opportunity across the nation.

Some jurisdictions have already seen fit to implement this type of mechanism. For instance, Cleveland's School Supt. Paul Briggs has testified before this subcommittee saying: "A school system that wants to bring students together can do so."

In my hometown of Greensboro, N.C., the school board sponsored a study which resulted in a magnet school proposal designed with broad-based input from black and white citizens. In the proposal, it is emphasized that educational alternatives should be made available to all students without regard to district lines. Without compelling anyone to act, Greensboro has sought voluntary cooperation both inside and outside of its boundaries, and the plan may well succeed.

I believe, however, for the planning mechanism outlined in section 708 to work effectively nationwide, the administration will have to provide as much leadership in the implementation stage as it has done through the planning phase. Many States simply do not have the resources either in manpower or funds to adequately follow through on this extraordinary opportunity available to them.

ESAA grantees are habitually concerned about money. Therefore, I would also suggest that this subcommittee develop language saying that the States that come up with acceptable voluntary plans be given priority for special project and other implementation funds which may have to be increased.

This is a critical incentive-builder to States, because there is little reason to anticipate State involvement in planning if the implementation of the plans has no guarantee of financial assistance. Such priority support will also encourage the sort of innovative interdistrict cooperation that is not inherent with more local educational agencies.

How we run our schools and how good they are mean a great deal to the average American. I think there is a direct correlation between support for public education and how much we involve parents in the development of policy. The approach that this bill takes must not only appear to be voluntary; it must genuinely be that. And the initiative it develops at the local and State level must be just that.

All of us—and I believe this includes most of those in all three branches of the Federal Government—know that neither the Congress, nor the courts, nor the Department of HEW can run local schools very well. The people who are really there and who will benefit most or suffer most as a result of the decisions that are made are the people who ought to provide leadership. Let's give them a real chance to do that.

Enactment of this bill may not solve all of the problems associated with school desegregation, but we will be able to make real progress. The stakes for all are high—peace in the community and a quality education for each student.

Thank you very much, Mr. Chairman.

Chairman **Perkins**. Thank you for that testimony, Judge Preyer. Questions, Mr. Miller?

Mr. **Miller**. No questions, Mr. Chairman.

Chairman **Perkins**. Questions, Mr. Pressler?

Mr. **Pressler**. Thank you for that fine statement.

What is your reaction to the previous witness' testimony and the comments on the administration's position on the funds following the child situation?

Mr. **Preyer**. I am sorry, I didn't hear the previous witness' testimony.

Mr. **Pressler**. How would that fit in the proposal, the funds following the child? What would your reaction to that be in relationship to that bill?

Mr. **Preyer**. I am not sure how it would, frankly. That would deal with getting funds to the State, and I am not so much concerned in what form the funds get there. The wisdom on this committee is far beyond mine on that. As it is, when the funds get to the local communities, when they have drawn up their plans, to have some means to implement them, I would be glad to give that some thought and answer that question in a little more considered way.

Chairman **Perkins**. Mr. LeFante.

Mr. **LeFante**. No questions, Mr. Chairman.

Chairman **Perkins**. Thank you for coming. You have been very helpful as always. I appreciate your appearance before this committee.

Mr. **Preyer**. We appreciate all you have done in this problem area.

[The prepared statement of Mr. Preyer follows:]

TESTIMONY OF
CONGRESSMAN RICHARDSON PREYER

Mr. Chairman, it is a pleasure to be here today. It is doubly so, because we are discussing an Administration's proposal which re-emphasizes the search for quality education for our school children. My particular comments will be limited to part of the Administration's proposal on the Emergency School Aid Act (ESAA) and how it can aid in our quest for equal educational opportunity, an essential element of quality education.

Eight years ago, Professor Alexander Bickel perceived the need for Congress to define a national policy with respect to equal educational opportunity. School districts were reeling under court orders, resistance was in vogue, and co-operation suffered at the expense of racially-spurred tension.

Professor Bickel and I were deeply troubled by the lack of harmony in school districts across the South, and it was easy to see that it was only a matter of time before the same problems would move their way to the rest of the nation. So, with Professor Bickel's advice, I introduced the National Educational Opportunities Act, whose purpose was to affirmatively establish the bond between equality of education and quality of education.

This bill as it relates to the Administration's proposal also attempted:

1. To alleviate racial tension by getting diverse community representation in the decision-making process.
2. To create a formal mechanism for long-range planning so that school district initiatives would not be in response to violations, but instead, would be good faith efforts to avoid future problems.

3. To design a voluntary approach under State and local auspices that would emphasize community and regional co-operation. Such an approach would have left it to the States and localities to implement a long-term desegregation plan and forestall the spectre of re-segregation which unfortunately is now occurring in many communities.

Secretary Califano's testimony last week supported many of the tenets of the National Educational Opportunities Act. He stressed voluntarism and the multi-year planning mechanism, wherein States and Localities will have the opportunity to plan what is best for their own particular needs. The Secretary's testimony also served to emphasize the nation's commitment to the 1954 Brown v. Board of Education decision.

I am pleased today that the Administration, through its ESAA proposal, will be encouraging State and local agencies to become involved in this process. If the State will make use of the funds available to them under ESAA (and there is both a moral and financial incentive to do so), I believe a new day will dawn on equal educational opportunity across the nation.

Some jurisdictions have already seen fit to implement this type of planning mechanism. For instance, Cleveland's School Superintendent Paul Briggs has testified before this Subcommittee, saying that "a school system that wants to bring students together can do so."

In my home town of Greensboro, North Carolina, the School Board sponsored a study which resulted in a magnet school proposal designed with broad-based input from black and white citizens. In that proposal, it is emphasized that educational alternatives should be made available to all students without regard to district lines. Without compelling anyone to act, Greensboro has sought voluntary co-operation both inside and outside of its boundaries, and the plan well may succeed.

I believe, however, for the planning mechanism outlined in Section 708 to work effectively nationwide, the Administration will have to provide as much leadership in the implementation stage as it has done through the planning phase. Many States simply do not have the resources either in manpower or funds to adequately follow through on this extraordinary opportunity available to them.

ESAA grantees are habitually concerned about money. Therefore, I would also suggest that this Subcommittee develop language saying that the States which come up with acceptable voluntary plans be given priority for Special Project and other implementation funds, which may have to be increased.

This is a critical incentive-builder to States, because there is little reason to anticipate State involvement in planning if the implementation of the plans has no guarantee of financial assistance. Such priority support will also encourage the sort of innovative inter-district co-operation that is not inherent with most Local Educational Agencies.

How we run our schools and how good they are mean a great deal to the average American. I think there is a direct correlation between support for public education and how much we involve parents in the development of policy. The approach that this bill takes must not only appear to be voluntary; it must genuinely be that. And the initiative it develops at the local and the State level must be just that.

All of us--and I believe this includes most of those in all three branches of the federal government--know that neither the Congress nor the courts nor the Department of HEW can run local schools very well. The people who are really there and who will benefit most or suffer most as a result of the decisions that are made are the people who ought to provide leadership. Let's give them a real chance to do that.

Enactment of this bill may not solve all of the problems associated with school desegregation, but we will be able to make real progress. The stakes for all are high--peace in the community and a quality education for each student.

Chairman **Perkins**. We have several witnesses now. The U.S. Commissioner of Education, Dr. Boyer; Dr. Wilson Riles, superintendent, California Department of Education; Mr. James W. Miller, Federal legislative liaison, Ohio Department of Education; Mr. William Hin, superintendent, Bayonne Public Schools, Bayonne, N.J.; Mrs. Ethel Beckham, vice chairman, Dade County School Board, Miami, Fla.; Mr. Norman Chachkin, Ad Hoc Coalition on Title I.

Dr. Cohen, we want to get you in this panel, if we can, and David Fish, president, Impacted Area Schools.

All of you come up whose names I have called. We are going to start with the Commissioner.

Commissioner Boyer, we will be delighted to hear from you at this time.

All your prepared statements will be inserted in the record. Is that any objection?

The Chair hears none. You go ahead, Commissioner Boyer, as you see fit.

STATEMENT OF HON. ERNEST BOYER, COMMISSIONER, U.S. OFFICE OF EDUCATION

Dr. **Boyer**. Thank you, Mr. Chairman. Last year you invited me to appear before this committee to discuss the administration of the Office of Education. At that time, you asked if I would return after we had submitted our reauthorization, as a followup, to discuss the administrative aspects of this important bill.

I should make it very clear we believe the responsibility of the administration is to work with you to achieve good legislation, to work with you to achieve an adequate budget, and the third and essential piece of that is to see to it that the programs are well managed.

It is to that third point I wish to direct my comments this afternoon. In order to comment on management in the Office of Education, I have necessarily had to divide the kind of programs we administer into three different categories.

First: The large formula-driven program; second: The large discretionary; and finally, the small discretionary programs.

It is very clear it is impossible to generalize about good management without separating out the type of program that is involved in the administration. Let me speak first, Mr. Chairman, about the large formula-driven programs for which the Office of Education is responsible. The legislation which has been submitted to you for the first time will take all six of our State formula-driven programs and require from the State just one assurance in relation to all six, instead of asking the States to reaffirm certain assurances in all of the plans.

There will be a single one-time-only assurance for all State formula-driven programs that will both simplify and reduce the procedures at both ends.

Second: Mr. Chairman, this legislation will require a State plan for title IV and for adult education once every 3 years instead of the current practice of requiring States to submit a plan every year.

Third: This legislation which is before you will require that the local education agencies, the local school districts, submit a title I application to the State every 3 years instead of the usual, redundant, repetitive procedure of asking them to apply every year. Of course, there is a procedure for annual amendments as it would be appropriate.

Fourth: We have introduced a clear and explicit assignment of responsibility and enforcement at the local level. One of the most discouraging parts of the title I plan, as I have tried to administer it, is the fact that the responsibility is not well fixed. It seemed very clear what was everybody's business was, in fact, no one's business.

Our proposal fixes clearly the responsibility for the enforcement initially at the State level and it calls for a statewide enforcement plan. This plan would be submitted to us and on the strength of that would give considerable autonomy to the local State department of education to execute their responsibility. We cannot monitor, with a small staff in Washington, all of the details of execution of this important legislation. Therefore, we ask the States to submit to us every 3 years a plan by which they intend to enforce it.

Those, Mr. Chairman, are the highlights of the State formula-driven plans which, in our view, would administratively be improved by this legislation.

May I take this moment, however, to tell you some of the administrative moves we have already taken and intend to make within the Office, not driven by the law but what we think would be good judgment.

First: When I appeared before you last fall I told you that we intended to get the title I allocations out earlier than in the past. I indicated we were planning to have them available March 15. I am pleased to say we are on target and we expect to be able to report to the States their title I allocation by the middle of this month. That means 1 month earlier than last year and 2 months earlier than 2 years ago. We think early announcement is essential.

Second: We have been criticized because we have had such a ragged, uncoordinated title I policy statement. I have asked for, and soon will have available in draft form, a title I policy manual which will pull together in one place the significant policy statements that we have made in the past that relate to title I.

At the top of that will be a "Supplement—Not Supplant" policy statement which, frankly, has been long needed and much overdue, and the absence of that has created considerable confusion. That statement is near completion.

Also internally, I have asked that our so-called title I audit board which, as you know, was set up to receive audit appeals, be expanded so that every one of the State-operated programs would have access to that appeal body. This, we think, is essential.

I might add as a footnote we have cleared the backlog of audits that are there. We are receiving, of course, every day and every week appeals, but I am convinced we are catching up with the backlog of audits which have caused us such headaches in the past.

Also, internally, I was disturbed to discover the staff of title I was buried deep in the Office of Education, and we are moving to eliminate a layer so that the director of title I will, in fact, report directly to the bureau chief. We think that streamlining of that important office is essential and will improve the management as it gets closer to the direct supervision of the deputy who is in charge of all elementary and secondary education.

I cannot justify what I thought was an unnecessary layer, and I think that move will help us administratively.

Finally, the staff, in my judgment, has been inadequate. In 1977, there were 72 positions assigned to the title I office. We are increasing that by 46 percent so that that staffing will be increased to 105. Those steps, Mr. Chairman, represent some of the changes we have through law and through administrative initiatives taken to improve the administration of our large formula-driven programs.

Let me take a few moments to talk about two other related categories in administering the Office. It so happens the Office of Education has 14 discretionary programs which have $25 million or more assigned to them. In many ways, they represent a very special administrative challenge. They are too large to be considered pilot programs and too small to be service programs. I am deeply concerned that our administration of those discretionary programs be handled well.

Let me highlight several of the steps we have taken to achieve that goal. I am introducing in the Office a procedure whereby every one of the large discretionary programs will be management audited every 2 years. We intend to bring in an outside specialist who, working with our own staff, will prepare for me a full report on how those problems can be managed in terms of their goals, in terms of procedures by which awards are granted, and in terms of follow-up evaluation. We will start this audit procedure first on bilingual education; second on the developing colleges; third, on Indian education; and finally, the migrant program.

We believe we need this internal critique, and I believe it must occur regularly as part of our administration. In large discretionary programs we have a single announcement date.

For the first time this year we put in the Federal Register the announcement of all of our major discretionary programs. This appeared October 12, 1977, so all of our major discretionary grants have been listed in one place with the closing date also appearing in the Federal Register.

We gave all applicants at least 60 days by which they could prepare their applications. Also in the legislation, Mr. Chairman, in the case of ESAA and in the case of bilingual, for the first time we will receive multiyear applications of up to 5 years. In that regard, instead of having annual resubmissions, we will have those programs awarded from a 1 to 5-year sequence which we think will improve the management.

Finally, in the internal grants procedure, we have added 30 people to our staff. We have a specific tracking pattern and we think we will more efficiently be able to manage the more than 70,000 applications we receive and the more than 30,000 awards we make each year on the discretionary programs side.

One final category. I have talked about the large formula-driven programs and the large discretionary programs. Now I would like to comment on the small discretionary programs in the Office of

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Education. It is a bit sobering to realize we have about 50 separate programs with categories that have funding of $25 million or less. I am very concerned that these small grants frequently are overlooked. They have been scattered among our six separate bureaus. Very often they are overshadowed by programs that are measured in billions.

It is hard to find a $2, to $3, to $5 million program. I am proposing, with Secretary Califano's support, that we create within the office a unit that will bring together many of the small discretionary grants—not to isolate them, not to blur their integrity—but to make them organizationally more accessible, to increase their visibility, and to improve our capacity to manage them well. I firmly believe if we can pull together some of our smaller discretionary grants administratively, we will in fact service them better, instead of having them frequently overlooked while we are considering the bigger issues in the separate bureaus.

Related to that, I am deeply concerned that we look for ways for the impact of the small programs to be improved. I think there are some strategies that work well when it comes to $20 million and some that don't, and if we are not careful, we can take $2 million and spread it so diffusely, so untargeted, so randomly, that when the year is over, we have nothing to show for our efforts.

Consequently, we are suggesting that we consult with you not only in looking for ways to cluster these separate programs but also look for ways to manage them more effectively. Those comments then deal with the administration of our programs.

I would like to close by commenting on the support service side of the office. We are overhauling the rules and regulations office by upgrading that office. We are cutting our clearance time in half, from 20 to 10 days for the rules and regulations between OE. By going through the Federal code, we have been able to eliminate about 150 pages that are unnecessary in the education section of that code. We have announced a travel policy in the Office of Education in which each bureau is required to submit an annual plan, and we are getting quarterly reports from each of the separate bureaus.

In addition, we are, as you asked me to report, moving on a number of fronts to cut back on the paperwork. We now have over 6 million work hours that have been eliminated from the paperwork responsibility in the Office. We have eliminated one form from basic grants. We have submitted one report a year instead of the multiple reports a year in our discretionary programs.

Although, Mr. Chairman, we have about 6 million hours that have been removed, we intend to push that more aggressively.

I have submitted for the record a full statement that goes into this in more detail, but these remarks highlight some of the areas of the testimony.

Thank you, Mr. Chairman.

Chairman PERKINS. Unless there is objection, we will defer the questions, to expedite the hearing, until we get through the entire panel.

Thank you, Commissioner Boyer.

[The prepared statement of Dr. Boyer follows:]

FOR RELEASE UPON DELIVERY

Statement by
Honorable Ernest L. Boyer
U.S. Commissioner of Education
U.S. Office of Education
Department of Health, Education, and Welfare
Before the
Subcommittee on Elementary, Secondary, and Vocational Education
Committee on Education and Labor
U.S. House of Representatives
Washington, D.C.
Monday, March 6, 1978
2:00 p.m.

Commissioner Boyer is accompanied by:

Dr. William F. Pierce, Executive Deputy for Support Services, U.S. Office of Education, HEW

Mr. William A. Blakey, Deputy Assistant Secretary for Legislation (Education), HEW

Mr. Chairman and Members of the Subcommittee:

When I appeared before your Subcommittee last August to discuss the administrative structure of the Office of Education you asked that when we returned with our formal legislative recommendations that I discuss the effect our legislation would have on relieving the paperwork burden at the State and local levels and the moves we've made to get our "programs on the path of better administration." I am here today in response to that request.

OE: THE MANAGEMENT STRATEGY

As you know, the Office of Education administers about 100 separate program authorities, and for FY 1979 we are requesting $12.8 billion to fund them. Effective administration of these programs is absolutely crucial, and Secretary Califano and I are determined to see to it that OE's education services are delivered fairly and efficiently. We are convinced that Office of Education programs can be well managed and today I would like to describe steps we are taking to achieve that goal and carry out the intent of the Congress.

I. RESTRUCTURING THE OFFICE OF EDUCATION

Office of the Commissioner

First a word about the reorganization I discussed with you last fall. Frankly, I was surprised to discover that 27 separate staff offices were reporting directly to the Commissioner. This span of control was, of course, impossible to coordinate. In April 1977 I announced my intention to reduce the number of offices reporting directly and regularly to the Commissioner This reorganization has now been completed and the key positions have been filled by top professionals.

Executive Deputies

Almost immediately it also became clear that the internal management of OE--even with the most gifted leadership--could not be carried on effectively by one Executive Deputy. We discovered that a lot of top priority administrative services were being assigned to Bureau chiefs in a haphazard way and responses were poor.

The solution--at least in part--seemed to be to divide the work of the office into two separate categories. the educational programs function carried on in the Bureaus; and the administrative service functions which support all the Bureaus.

In response we have divided the office of the executive deputy into two parts:

--**Executive Deputy for Educational Programs**--responsible for the Deputies and the programs in the Bureaus.

--**Executive Deputy for Support Services**--responsible for the administrative services central to operations agency-wide.

Top leadership has been named to direct these two essential functions and the management gains we have already made clearly demonstrate that this was a sound and essential move.

The Bureaus

On March 8, 1977, Secretary Califano announced the consolidation of formula-driven student aid programs into a single new Bureau of Student Financial Assistance. This Bureau is now on line and functioning very well. For the first time a responsible management plan to administer our $6 billion student assistance programs has been produced.

This means that we now have six Bureaus in OE into which our programs have been clustered. With one exception, leadership appointments have been made.

II. MANAGING THE PROGRAMS

To speak of 6 Bureaus or a $12.8 billion request is, of course, a convenient shorthand. In order to manage this complicated office called OE, we've had to get behind these labels and develop strategy--or strategies--by which these 100 separate programs--many of which have functioned as isolated "cottage industries"--could be effectively managed. In many instances our problem was not the quality of our leadership but the clutter of our structure.

After some analysis it seemed clear that no single oversight approach would work. Rather we need several different strategies to match the several different kinds of OE programs.

Specifically, I have--for oversight purposes--developed three different types of administrative oversights within the office: one for our large discretionary programs, a second for our small discretionary programs and a third for our formula-driven entitlement programs.

I'd like to describe our approach to the management of these three categories.

A. FORMULA-DRIVEN ENTITLEMENT PROGRAMS

First, I will discuss the formula-driven entitlement programs, which is the major category. Currently, the Office of Education administers 34 different entitlement or formula-driven programs. These 34 programs account for $11.6 billion--nearly 91 percent of our 1979 budget request; the largest such program is, of course, Title I of the Elementary and Secondary Education Act.

These formula-driven programs can be further broken down on the basis of those that go to State agencies as in the case of ESEA Title I, those that go to local school districts as in Impact Aid, and those that go to individuals as in student grants.

We are moving to improve the administration of these formula dollars in four critical areas.

1. Streamlining State Planning

o We propose to simplify the State application process for six State formula grant programs--Title I, Title IV, Adult Education, Vocational Education, Education of the Handicapped, and Library Services and Construction by putting on a single application form, all of the assurances and requirements common to all 6 of these State operated programs. Updates on this single form will be required only when necessitated by changes in the Federal or State law.

o Our reauthorization package also proposes that in Title IV and Adult Education, we will require a State plan once every three years, rather than annually. This move will reduce State efforts to a "one time only" procedure instead of an application with annual assurances for each program.

o For Title I our reauthorization proposal will allow the States to submit every three years a monitoring and enforcement plan which will be more effective than the annual assurance mechanism that existed in the past.

o LEAs will be required to submit to the State a Title I application every three years, rather than annually. Annual amendments to the application will be made--for example when changing target schools, activities, or budgets.

o In order to give States more time to conduct their planning for Title I we have also moved to produce allotment tables on time. When I testified before this Committee last summer I stated that we would issue the 1978-79 school year allocations on March 15 and continue that process in future years. I'm pleased to report that we have all the necessary data and anticipate meeting that deadline, which is four weeks earlier than 1977, and almost two months earlier than 1976.

2. Increasing Federal and State-Wide Accountability

In the reauthorization we are also proposing key steps to assure accountability while at the same time placing more responsibilty in State and local agencies.

o Up to now the supervision of Title I has been very ambiguous. Responsibility has not been firmly fixed. Under the new law this situation will be clarified. State education agencies may submit, every three years, a specific accountability plan, one which outlines procedures States will take to supervise the expenditure of Title I funds. The plan will include:

--a schedule of on-site monitoring visits to LEAs having Title I projects,

--a description of steps taken over the preceeding three years to enforce the requirements,

--and a summary of the investigation of all complaints made about Title I activities.

The Commissioner of Education will be authorized to withhold a part or all of an SEA's allocation if its monitoring plan is inadequate. Ultimate responsibility will of course be retained by the Commissioner.

o In the past OE has not made uniform Title I policy judgments. We have now taken steps to correct this deficiency. We are now tracking all Title I action in order to establish consistent policy. And we are creating a Title I policy manual--which is long overdue. I have asked the Bureau to have such a manual completed before a new annual cycle begins.

o We are also developing--for the first time--a Title I "supplement--not supplant" policy statement which is urgently needed if we're to bring greater clarity to this crucial issue.

3. Expanding Audit Hearing Procedures

Our reauthorization proposal in GEPA calls for the establishment of an Education Hearing Board to hear appeal cases on all

State Operated Programs. This is an expansion of the Title I Hearing Board which was created administratively.

4. Upgrading of Title I Staff

Mr. Chairman, I was surprised to discover that Title I, with a 1977 budget of $2.285 billion, had a total staff of only 72. I was equally disturbed that this office was buried deep in the organization.

It is absolutely clear to me that the Title I office must be upgraded and expanded.

We are therefore increasing the OE staff in Washington by 46 percent, from a 1977 level of 72 to a proposed level of 105. I have also upgraded the organizational position of the Title I office so that the director will report directly to the Deputy Commissioner.

Today, I have limited my discussion to the elementary and secondary management issues. I can say, Mr. Chairman, that equally aggressive steps have been taken to improve our higher education formula-driven programs and I am confident that these moves in combination will improve substantially the administration of the essential programs.

B. LARGE DISCRETIONARY PROGRAMS

Mr. Chairman, I'd now like to talk about a second important group--the large discretionary programs. Presently, OE administers 14 discretionary programs with budgets over

$25 million each. These programs--totalling $646 million--are awarded through national competitions.

Frankly, Mr. Chairman, these programs present for us a very special challenge. They are too large to be considered "pilot" and not large enough to be "service." Further, the Office of Education is directly responsible for the granting of awards and for maintaining accountability. The management strategy required here differs considerably from that which is used in our formula programs. To meet this special challenge, the following administrative steps have been taken:

1. New "Program Audit Reviews"

First and most significant, Secretary Califano and I are deeply concerned about the overall management effectiveness of our large discretionary grant programs. To make sure these offices are well run a new program audit system has been introduced. Under this new system, each large discretionary program office will be thoroughly management-audited every two years by a skilled outside auditor. The findings will be reported directly to the Commissioner and the Secretary.

The new program audit procedure--which will begin within 30 days will assess first the following offices:

- Bilingual Education
- Developing Institutions (Title III of the Higher Education Act)
- Indian Education

These audits will focus on the following issues:

- Are the program goals clear
- Are uniform, consistent, and fair criteria used in awarding decisions;
- Are application forms being processed in a timely fashion;
- Is follow-up evaluation adequate.

We will also identify good management practices, and develop a training program to assure that these skills are shared among all staff for all programs.

2. Single Announcement Date

One of the most significant improvements we've made in managing our discretionary grant programs--large and small--was to publish in the October 12, 1977 Federal Register a consolidated closing date notice for 58 discretionary programs. For the first time, applicants could find discretionary programs with closing dates, listed in one place and also they were given 60 days or more to prepare an application By receiving the applications earlier, we in turn are able to award the contracts and grants at an earlier date, which will help everyone involved.

3. Multiple-Year Application Forms

- In our reauthorization proposals the discretionary portion of the Emergency School Aid Act will for--the first time--make multi-year awards to applicants (primarily LEAs) for a period up to five years. (Current awards are year to year.) Multi-year awards will improve desegregation activities, reduce work at the LEA (from about 30 days per application, to 2-3 days in the off years of the award) and get us away from the current cliff hanging annual cycle.

o For similar reasons, we are proposing up to 5 year multi-year awards in our bilingual education program.

4. Streamlined Grants and Contracts Procedure

The preparation of grants and contracts in timely fashion is absolutely crucial to the discretionary program process--which in FY 1977 involved mailing out 129,000 application packages, receiving back more than 50,000 applications, and negotiating approximately 25,000 separate awards--has now been clarified and speeded up.

We have added 30 new positions to the grants and contracts office to meet a dramatically expanded work load and we've also set up specific tracking dates. This new process will give us an opportunity to make the majority of our grant awards on a more timely schedule.

5. Simplified Reporting Procedure

In the past OE has suffered from a startling lack of consistency in the number, frequency, and type of reports required of those who receive discretionary grants. I discovered that each office decided on its own the kind of reports it wanted, and how often reports were to be gathered.

Some programs have required quarterly reports, some annual reports, and others actually collected reports every month!

o A new OE report policy is in place. We now require only one annual program report and one annual fiscal report for every grant awarded. This move alone has cut out thousands of reports and hundreds of thousands of work hours.

C. SMALL DISCRETIONARY PROGRAMS

There is a third program grouping within OE. A surprising number of OE's discretionary programs are small--funded at less than $25 million. In fact there are some 51 of these programs, with a total budget of $369 million in our 1979 budget request.

These programs offer yet another challenge. The problems addressed by these programs are national in scope, (alcohol and drug abuse for example) and the amount of money small. It is absolutely essential that we develop a delivery strategy that makes the most effective use of limited resources. If such a strategy is not found we will--after many years--still not have made an impact. To improve the impact of these programs we intend to take two essential steps.

1. A Fund for Schools Office

At present, our small discretionary grants are located in 12 separate offices in OE. All too often they are overshadowed by larger programs and their impact is dramatically diminished.

Secretary Califano and I believe firmly that this fragmentation must be eliminated. Specifically, we propose a single office within OE--a special "fund for the schools"--unit which will bring together in one place many of these small discretionary programs in order to give them greater visibility and impact and to achieve more efficient staffing and administration. Separate authorities for these programs would of course be retained as specified by law.

Shortly we hope to consult with you and your staffs regarding our plan to group these programs.

Again, we believe the programs in this category are crucial; and we're convinced that by clustering and coordinating these programs we can consolidate application procedures and eliminate personnel duplication as well. We also anticipate that once the programs are consolidated in a single unit, actual staff reductions will be possible.

2. A "Maximum Impact" Model

We also believe Mr. Chairman that a new delivery strategy must be developed for many of these programs. Frankly, I'm not convinced we're getting the best impact from our limited resources.

Consequently, I will ask each discretionary grant director to submit to me within 60 days:

--a completed description of the goals of the program,

--a description of the current procedures used to meet these goals,

--data to demonstrate that the current procedures are working,

--recommended alternative strategies to increase the impact of the program.

After these have been received we will have a two day intensive workshop with all small grant program directors to develop, implement, and deliver models which are most effective.

Before leaving this topic I wish to make it very clear that our proposed administrative moves, to improve the overall effectiveness of OE will enhance and will not conflict with the President's proposal to create a separate Cabinet-level Department of Education--a step I fully and enthusiastically endorse.

III. IMPROVING SUPPORT SERVICES

In addition to the improved management of our educational programs within the Bureaus supervised by Dr. John Ellis, we are also moving to streamline the administrative offices which "service" all the bureaus. These offices are assigned to Dr. William Pierce and include: The Office of Administration, The Office of Evaluation and Dissemination, The Division of Regulations, The Division of Planning and Budgeting, and The Division of Audits and Appeals.

1. Overhaul Rules and Regulations

Secretary Califano has urged that regulation writing, review, and clearance be speeded up; that unnecessary regulations be eliminated; and that texts be simplified.

In response:

- We have upgraded the Regulations Office within OE. The Office will now have division status and will report directly to the Executive Deputy Commissioner for Support Services.
- New regulations development and review procedures have been implemented. We have, in fact, cut the review and clearance time within OE by one-half, from 20 days to 10 days.
- We have edited the text of the Office of Education's Code of Federal Regulations and 13% (over 150 pages) has already been eliminated.
- An extensive training program for regulation writers is underway.
- In response to Secretary Califano's department-wide initiative all Office of Education regulations will be recodified, with emphasis on clarity and simplicity, during the next five years.

2. Establish Travel Policy

OE travel has been minimally controlled, and too frequently travel did not relate to program priorities. To correct this deficiency, we have now developed, for the first time, an OE policy governing employee travel. According to this procedure:

- o Each Bureau and office must now develop an annual travel plan
- o Quarterly reports will be sent to the Commissioner. This procedure will be the basis for travel budget requests and allotments.

3. Strengthened Budget Procedure

A new budget office has been organized and it now reports directly to the Executive Deputy Commissioner for Support Services instead of being buried in an Associate Commissioner's Office as in the past.

- o We have requested that the Director of the Budget's position be upgraded from GS 15 to GS 16.
- o As a part of a new budget development process, we are scheduling more budget retreats to review priorities with program deputies before the budget process begins.

IV. CUTTING OUT PAPERWORK

OE puts a tremendous paperwork burden on the education community. We were quite close to the breaking point, and many people were wondering if Federal help was actually worth the effort. Much of our data requirements are, of course, driven by legislative mandate. Secretary Califano and I are however, absolutely determined to relieve this load as much as possible. As a result, during the past 8 months, that burden has been reduced by over 6 million hours of forms completion time required of educators or students.

- o We eliminated a duplicate application system in the Basic Grants program, which cut out 2.5 million forms and resulting in a burden reduction of an estimated 5 million work hours.
- o As reported earlier, we now have a new policy requiring only one annual financial and one annual performance report from grantees. This cut out about 35,000 reports and reduced OE's paperwork burden by over 330,000 work hours.
- o We have eliminated significant portions of 14 other report forms, thereby cutting out another 820,000 work hours.
- o We have totally eliminated another 22 forms which resulted in a reduced paperwork burden of an additional 33,000 hours.
- o We plan to work toward the consolidation of application procedures in OE discretionary programs with the goal of a single common application form for many programs.

- And as I outlined earlier, we also will consolidate a part of the six State plans into one single document. This will reduce the paperwork burden for every State.

Mr. Chairman, I wish to assure you that our moves to clear up the paperwork burden will continue vigorously.

V. EVALUATION AND DISSEMINATION

Evaluation and Dissemination are frequently underemphasized areas in educational organization. I found that to be true in OE. Evaluation was lost among budget and planning and our dissemination efforts were fragmented, uncoordinated and, in the one case where an identifiable effort existed, buried deep in the organization.

To correct these organizational problems I created an Office of Evaluation and Dissemination headed by an Assistant Commissioner.

To the existing evaluation unit, we added the 25-member Division of Educational Replication, which is responsible for the National Dissemination Network. The work of this office will be closely coordinated with the OE/NIE Joint Dissemination Review Panel. Additional responsibilities are to develop OE-wide dissemination standards. In addition, this office will expand the efforts of the National Dissemination Network. A comprehensive dissemination plan for all of the Office of Education is now being developed.

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The evaluation effort is the responsibility of a 40-member professional evaluation staff, most of whom have advanced training and degrees in research design, qualitative analysis, educational measurements, and sampling. With an annual budget now running at the level of $25 million, this staff designs and oversees the conduct of major national evaluations, results of which are promptly reported to the Congress and published widely.

We are now developing a coordinated evaluation program which is both timely and useful.

The Annual Evaluation Report to Congress, which is a compilation of all evaluation results presently available on all OE programs, summarizes what we have done and what we now know about the effectiveness of OE programs.

I strongly believe Mr. Chairman, that the creation of this office adds the final two necessary activities to OE's efforts.

Without scholarly and timely evaluation we will never be able to tell educators or Congress whether Federal programs really are effective. But, equally important, unless the results of the program efforts and their eventual evaluations are shared with all who are interested, so that the experiences of students are changed for the better, the Federal expenditure can be said to have been wasted.

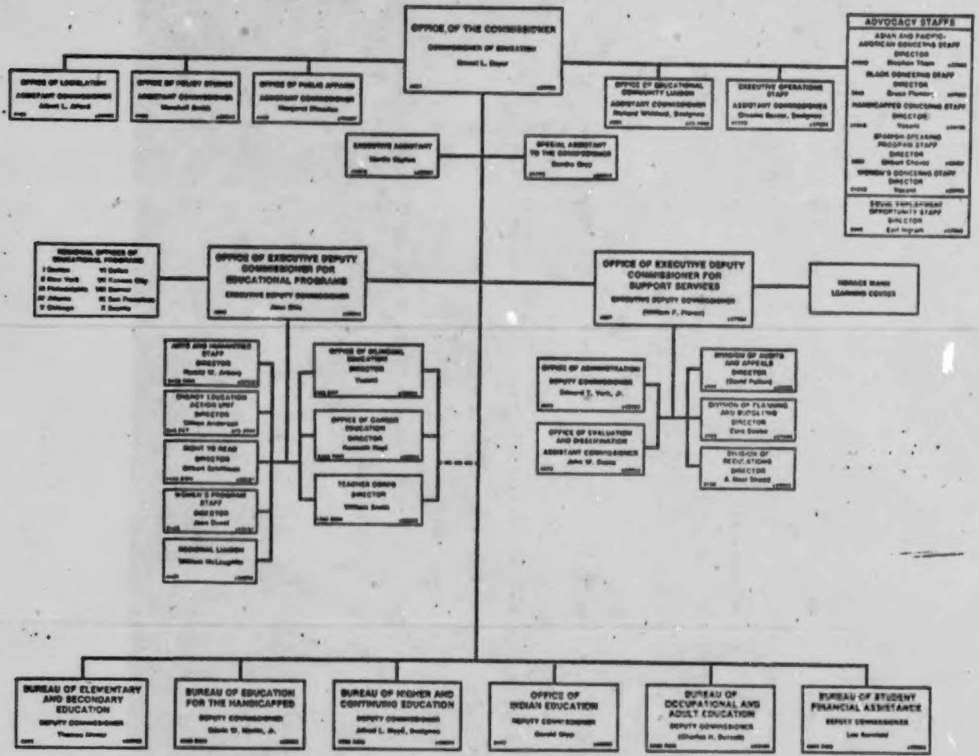
* * * *

CONCLUSION

Mr. Chairman, I'm deeply grateful for the cooperative spirit that exists between this committee and the Administration. This partnership mean that the Nation's schools can look to Congress and the Executive Branch with renewed confidence in their ability to lead and to follow through.

Congress has enacted over 100 educational programs--a historic accomplishment whose benefits are felt by every family in the Nation. What I've tried to emphasize today is that the Office of Education is committed to translating Congress's law into effective programs--programs which are administered equitably, efficiently, and compassionately. Over the past year we've moved toward these goals. With the new legislation I'm convinced still more progress can be made.

Thank you for the chance to speak with you today.


OFFICE OF THE COMMISSIONER
COMMISSIONER OF EDUCATION
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DIRECTOR
BLACK CONCERNS STAFF
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Earl Ingram
OFFICE OF EDUCATIONAL COMMUNITY LIAISON
ASSISTANT COMMISSIONER
EXECUTIVE OPERATIONS STAFF
ASSISTANT COMMISSIONER
EXECUTIVE ASSISTANT
SPECIAL ASSISTANT TO THE COMMISSIONER
OFFICE OF EXECUTIVE DEPUTY COMMISSIONER FOR EDUCATIONAL PROGRAMS
EXECUTIVE DEPUTY COMMISSIONER
OFFICE OF EXECUTIVE DEPUTY COMMISSIONER FOR SUPPORT SERVICES
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DIVISION OF PLANNING AND BUDGETING
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DEPUTY COMMISSIONER
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DEPUTY COMMISSIONER
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DEPUTY COMMISSIONER
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DEPUTY COMMISSIONER
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
DEPUTY COMMISSIONER
BUREAU OF STUDENT FINANCIAL ASSISTANCE
DEPUTY COMMISSIONER

PROGRAM SUMMARY SHEET BY CATEGORIES
(1979 BUDGET)

	NUMBER OF PROGRAMS	APPROPRIATIONS REQUESTED
1. Formula Programs		
Elementary and Secondary	22	$ 6,252,167
Higher Education	10	5,317,257
Public Library Programs	2	60,237
SUBTOTAL	34	11,629,661
2. Large Discretionary Programs (Over $25 million)	14	645,882,000
3. Small Discretionary Programs (Under $25 million)	51	369,388,000
4. Others		
Salaries and Expenses		127,166,000
(Line Items)	(4)	2,305,000
Grand Totals	99+(4)	$12,774,402,000

SUMMARY

OFFICES/BUREAUS	(1) TOTAL GRANTS PROCESSED FY 1976	(2) TOTAL REPORTS RECEIVED	(3) PERSON-HOURS TO PROCESS ALL PRESENT REPORTS	(4) HOURS SAVED SEMI-ANNUAL REPORTS	(5) HOURS SAVED ANNUAL REPORTS
IOC					
Arts and Humanities	89	712	7,832	3,916	5,874
Teacher Corps	249	2,988	995	663	829
Women's Program	66	792	3,960	2,640	3,300
[illegible]er Education	109	654	20,928	6,976	13,952
Right to Read	280	2,423	19,384	10,424	14,905
Bilingual Education	715	4,120	82,400	25,200	53,800
Sub-total	1,508	11,689	135,499	49,819	92,660
Higher & Continuing Education	5,070	14,287	149,249	44,740	84,094
Indian Education	1,455	5,494	27,470	-	13,735
Occupational & Adult Education	715	1,698	37,880	8,112	19,024
Education for the Handicapped	1,419	2,153	32,637	5,250	11,010
Elementary & Secondary Education	14,832	31,702	236,714	37,202	110,824
Total	24,999	67,023	619,449	145,123	331,347

Person-hours to process all present reports:	619,449 - 297 person-years.
Saved if OE allows only semi-annual reports:	145,123 - 69 person-years.
Saved if OE allows only annual reports:	331,347 - 150 person-years.

Chairman **Perkins**. Our next witness is Dr. Wilson Riles, superintendent, California State Department of Education. Dr. Riles has been the commissioner of education out there for many years and for years has been one of the outstanding educators in the country.

Dr. Riles, we will hear from you at this time.

STATEMENT OF HON. WILSON RILES, SUPERINTENDENT, CALIFORNIA STATE DEPARTMENT OF EDUCATION

Dr. **Riles**. Thank you very much, Chairman Perkins and members of the committee, it is a pleasure and a privilege to be able to appear before you today to present my views concerning the administration's proposed bill, the Education Amendments of 1978. It is my strong opinion the administration's bill has many outstanding provisions which will not only enhance education throughout the country but will be of direct assistance in providing better educational services in California.

I would like to discuss first the provisions of the bill with which I have strong agreement in concept. Then I would outline some deficiencies in the bill and last, I want to recommend some modifications.

The administration has recognized the need for concentrating more money in those schools where there is a high concentration of students from low-income families. The highly impacted areas throughout the Nation have significantly poorer performance in all indicators of educational achievement; dropout rates often double or triple that rate of other areas; and double or triple the statewide unemployment rates among teenaged youth. These and other indicators all show that added emphasis and attention to those areas are required.

The bill calls for incentives to assist States which have already enacted compensatory education programs and to encourage other States to implement such programs. I believe that it was always the intent of Congress to encourage States to recognize the needs of low income and educationally disadvantaged youth through the vehicle of title I.

There is a provision in the administration's bill which would allow schools with very high concentrations of eligible children to carry out comprehensive schoolwide programs for all pupils. This provision would relax the restrictions on comingling of funds, identification of particular children, and supplementing not supplanting. It has never made any sense to me to segregate a small portion of a school population from services being provided the great majority of children in the same school.

The administration proposes to eliminate the requirement for an annual plan and requires, instead, a monitoring and enforcement plan every 3 years. I applaud the concept of using a 3-year plan rather than an annual plan.

The bill establishes a new national emphasis on students achieving basic skills. As you know, I consistently urged that our California programs emphasize basic skills achievement.

An important provision of this bill would create a new program to enable schools to go beyond just carrying out "traditional" elementary and secondary programs. The whole thrust of our California school improvement program has been to focusing on individual students needs and expanding the activities carried out through the auspices of the school to meet those needs—the administration's program would help us to carry out these important tasks.

The administration proposes to make it clear that Office of Education guidelines, instructions and other documents not intended to be binding requirements may be promulgated without assuming the force of law.

This resolves, at the Federal level, an issue which I have been required to address in California. Any large agency like the Office of Education or a State Department of Education distributes vast amounts of material to the field: Information, advice, encouragement, assistance and directions. People in the field, however, have a very difficult time sorting out what they must do by law and what we would suggest they do from our perspective. I believe this provision will go a long way to clarify such confusion and will also encourage the Office of Education to provide necessary assistance, encouragement, and advice.

The administration's bill provides for a single State and a single LEA application for many of the Federal educational programs. Such a one-time comprehensive application could do much to cut down the unnecessary duplication of data and information but also allow for program administration with integrity and direction.

The bill contains a provision which would allow districts with significant amounts of State and Federal compensatory education funds to expand title I eligibility to more schools. Our own State compensatory education programs provide relatively more funds to districts with heavy concentrations of poor children.

As a result, there are a number of districts in California which will qualify under this proposal. These districts, therefore, would be able to coordinate more effectively their State and Federal compensatory education funds and reach more eligible students.

Having discussed those specific concepts embodied in the administration's bill which I believe will lead to improved delivery of educational services to our students, I would now like to discuss what I believe to be some of the major deficiencies I see in the bill and some modifications I would recommend with regard to the specific concepts I applaud.

The major weakness I find in the administration's bill is the lack of clarification of the supplement and not supplant provision and the lack of modification of the comparability provision of current law.

As I have testified before you previously, Mr. Chairman, for States such as ours, with large State compensatory education programs and with a major school improvement program, modification of existing law is required to allow us the flexibility to reach the population in need and to conduct schoolwide improvement.

Since I last appeared before you, my department has carried out lengthy discussions with various groups with regard to clarifying the allocations of State compensatory funds and with regard to specific exemptions for our school improvement program.

Much of what we believe to be a reasonable resolution of these issues is embodied in your bill, H.R. 10891, Mr. Chairman, which clarifies the current supplement not supplant requirements and carefully expands the current comparability provision. We believe this language, with some modification, will not only protect the Federal interest but will also provide States with their own compensatory education and school improvement programs with the necessary flexibility; therefore, I recommend that your committee follow the H.R. 10891 lead rather than the administration's.

An area which neither the administration's bill nor H.R. 10891 addresses is the need for greater flexibility at the State level in terms of recognizing the combined impact of Federal and State compensatory education funds. In States like California, where current State compensatory education allocations are almost as great as our title I grant aware, the need for coordination is great. Without such flexibility it is difficult to provide comparable funding levels to districts with similar compensatory education needs.

In my more detailed statement, which I would ask to submit for the record, Mr. Chairman, I have made specific proposals for the more effective combining of State and Federal efforts.

Next, I am concerned about the specific proposal the administration has with regard to special grants for LEA's with high concentrations of poor children. While I am in total agreement with the concept, I find the administration's formula does not work equitably across States. I believe the formula the administration has used favors some areas over others with equal need. I would very much like to work with the committee over the next few weeks to develop a formula which will recognize the additional needs of highly impacted school districts and yet be fair to all areas within a State and to all States.

Chairman PERKINS. I presume you are talking about the special concentration formula.

Dr. RILES. That is correct.

Additionally, the administration proposes to allow schoolwide flexibility in expenditure of title I funds if 80 percent or more of their students are poor. I believe this to be an excellent concept, but needs to be modified. While school eligibility for title I assistance is based upon the number of poor children, the title I funds must be spent on the basis of children who perform below average. Thus, I believe we should be concerned about providing assistance to schools which are heavily impacted by educationally deprived children.

I recommend that the provisions of H.R. 10891, with some modifications, dealing with this problem be accepted by the committee rather than the provisions of the administration's bill.

Finally, I am disappointed in the revision of title VII that the administration did not recognize the necessity to provide for a State role. In States like California, heavily impacted with students with bilingual needs and having State bilingual programs, there is a need that the State be given an explicit role in planning, coordinating and targeting all bilingual funds to ensure State and Federal programs are in concern with each other.

In summary, Mr. Chairman, I consider the administration's bill to be a great step forward toward improved delivery of services to children. I also see it as enhancing the State/Federal partnership in carrying out programs to assist populations in special need, although it needs improvement in its supplanting and comparability provisions. I think the administration's bill will assist us in focusing more funds to those special populations. I specifically applaud the many provisions in the bill which will cut down unnecessary paperwork and duplicate requirements.

Thank you for the opportunity to share my thoughts with you, Mr. Chairman, and I know that under your outstanding leadership, the members of this committee will provide us with legislation which will support our State efforts, enhance the national efforts and, most importantly, improve the services we offer to our students. If you have any questions, I would be pleased to answer them.

Chairman PERKINS. We are going to do our best, Dr. Riles.

Let me say that since we will defer questions until the end of the panel, if any of the witnesses want to go out just for a few moments and come back and take your same seats, you are perfectly welcome to do so.

[The full statement of Dr. Riles follows:]

TESTIMONY BY
WILSON RILES

California State Superintendent of Public Instruction

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION
Washington, D.C. - March 6, 1978

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The bill calls for incentives to assist states which have already enacted compensatory education programs and to encourage other states to implement such programs. I believe that it was always the intent of Congress to encourage states to recognize the needs of low-income and educationally disadvantaged youth through the vehicle of Title I.

There is a provision in the Administration's bill which would allow schools with very high concentrations of eligible children to carry out comprehensive schoolwide programs for all pupils. This provision would relax the restrictions on commingling of funds, identification of particular children, and supplementing not supplanting. It has never made any sense to me to segregate a small portion of a school population from services being provided the great majority of children in the same school.

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The bill establishes a new national emphasis on students achieving basic skills. As you know, I consistently urged that our California programs emphasize basic skills achievement.

An important provision of this bill would create a new program to enable schools to go beyond just carrying out "traditional" elementary and secondary programs. The whole thrust of our California School Improvement Program has been to focusing on individual student needs and expanding the activities carried out through the auspices of the school to meet those needs---the Administration's program would help us to carry out these important tasks.

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Having discussed those specific concepts embodied in the Administration's bill which I believe will lead to improved delivery of educational services to our students, I would now like to discuss what I believe to be some of the major deficiencies I see in the bill and some modifications I would recommend with regard to the specific concepts I applaud.

The major weakness I find in the Administration's bill is the lack of clarification of the supplement and not supplant provision and the lack of modification of the comparability provision of current law. As I have testified before you previously, Mr. Chairman, for states such as ours, with large state compensatory education programs and with a major school improvement program, modification of existing law is required to allow us the flexibility to reach the population in need and to conduct schoolwide improvement.

Since I last appeared before you, my Department has carried out lengthy discussions with various groups with regard to clarifying the allocations of state compensatory funds and with regard to specific exemptions for our school improvement program. Much of what we believe to be a reasonable resolution of these issues is embodied in your bill, HR 10891, Mr. Chairman, which clarifies the current supplement not supplant requirements and carefully expands the current comparability provision. We believe this language (with some modification) will not only protect the federal interest but will also provide states with their own compensatory education and school improvement programs with the necessary flexibility; therefore, I recommend that your committee follow the HR 10891 lead rather than the Administration's.

An area which neither the Administration's bill nor HR 10891 addresses is the need for greater flexibility at the state level in terms of recognizing the combined impact of federal and state compensatory education funds. In states like California, where current state compensatory education allocations are almost as great as our Title 1 grant award, the need for coordination is great. Without such flexibility it is difficult to provide comparable funding levels to districts with similar compensatory education needs. In my more detailed statement, which I would ask to submit for the record, Mr. Chairman, I have made specific proposals for the more effective combining of state and federal efforts.

Next, I am concerned about the specific proposal the Administration has with regard to special grants for LEA's with high concentrations of poor children. While I am in total agreement with the concept, I find the Administration's formula does not work equitably across states. I believe the formula the Administration has used favors some areas over others with equal need. I would very much like to work with the Committee over the next few weeks to develop a formula which will recognize the additional needs of highly impacted school districts and yet be fair to all areas within a state and to all states.

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HR 10891 (with some modifications) dealing with this problem be accepted by the Committee rather than the provisions of the Administration's bill.

Finally, I am disappointed in the revision of Title VII that the Administration did not recognize the necessity to provide for a state role. In states like California, heavily impacted with students with bilingual needs and having state bilingual programs, there is a need that the state be given an explicit role in planning, coordinating, and targeting all bilingual funds to ensure state and federal programs are in concert with each other.

In summary, Mr. Chairman, I consider the Administration's bill to be a great step forward toward improved delivery of services to children. I also see it as enhancing the state/federal partnership in carrying out programs to assist populations in special need, although it needs improvement in its supplanting and comparability provisions. I think the Administration's bill will assist us in focusing more funds to those special populations. I specifically applaud the many provisions in the bill which will cut down unnecessary paper work and duplicate requirements.

Thank you for the opportunity to share my thoughts with you, Mr. Chairman, and I know that under your outstanding leadership, the members of this Committee will provide us with legislation which will support our state efforts, enhance the national efforts and, most importantly, improve the services we offer to our students.

If you have any questions, I would be pleased to answer them.

Chairman **Perkins**. We will hear from the former Secretary of HEW, Dr. Wilber Cohen.

We are delighted to welcome you back to the committee, Dr. Cohen.

STATEMENT OF DR. WILBER J. COHEN, NATIONAL COMMUNITY EDUCATION ASSOCIATION

Dr. **Cohen**. Mr. Chairman, I am always glad to be in the room where I helped design some of the most important and innovative educational legislation. I would like to ask that my statement be put in the record, and I will speak extemporaneously.

Chairman **Perkins**. Your prepared statement will be inserted in the record at this point.

[The full statement follows:]

STATEMENT OF DR. WILBER J. COHEN

Mr. Chairman, it is always a pleasure to appear before this Subcommittee. Numerous historic decisions have been made in this room that have dramatically improved the quality of elementary, secondary and vocational education. I was privileged to have participated in some of those decisions.

Today I am testifying on behalf of the National Community Education Association to present my views on community education and the appropriate Federal role. As many of you know I am a strong advocate of community education and its potential for improving the quality of educational and community life. I testified before this Subcommittee several years ago in favor of the Community Schools Act. Events of the last few years have convinced me of the need to expand significantly Federal funding for community education.

Community schools offer the opportunity to bring education to every person in the nation from early childhood through senior citizens. Community education has demonstrated its potential for improving the quality of life in communities throughout the country. The community school continues to be one of the most appropriate vehicles for delivering social services to community residents. Additionally it increases community participation in school affairs, thereby improving the quality of the educational program.

Community education has demonstrated its ability to address a number of educational and social issues. The Senate Subcommittee to Investigate Juvenile Delinquency, in its final report, named community education as one approach for reducing school violence and vandalism. Numerous school administrators view community education as a vehicle for improving school community relations and increasing community support for education. Lastly community education offers creative alternatives for utilization of vacant school buildings.

The Congress would be will advised to enact community education legislation with several important features:

(1) Grants to State educational agencies to pay the Federal share of the cost of planning, establishing, expanding and operating community education programs. Any state desiring to participate in the program would have to submit to the Commissioner an acceptable plan.

(2) Grants to local educational agencies to pay the Federal share of community education programs.

(3) Contracts to non-profit organizations for delivery of social services through community education. This provision would allow the Commissioner to fund programs with potential for more efficient and coordinated delivery of social services.

(4) Development and implementation of a plan for comprehensive community education programs by the Assistant Secretary of the Department of Health Education and Welfare.

(5) Grants to institutions of higher education for training programs in community education.

Mr. Chairman, we can and should make every effort to keep our schools open eighteen hours a day or longer, six days a week to make it possible for every young person, adult and senior citizen to participate in the learning and relearning process.

We stand at the threshold of making community education a reality for every citizen in this country.

Dr. **Cohen.** I think President Carter's education message is the most significant education message since the Kennedy message of 1961 and the Johnson message of 1965. I want to say I think Commissioner Boyer, Mr. Califano, and the President's assistants have designed a message which I think is very highly desirable.

Like Dr. Riles, I have had few minor areas of comment. I want to say that I hope this message will break the 8-year impasse that has existed between the Congress and the executive branch in terms of education legislation and appropriations which imperiled educational progress during those last 8 years.

I believe that, first, the President's message has shown that you do not need a separate Department of Education to get more money for education. If you want more money and more programs for education, all you have to do is recommend it and put it in the budget and you do not need a separate Department of Education to do it.

I would find out how much money a separate Department of Education costs and I would urge you to put that extra money into improved educational programs rather than spend it on more bureaucracy.

In addition, I strongly recommend that section 402 of the General Education Provisions Act be changed so the Assistant Secretary would be made the Secretary of Education and he would thus do everything that is necessary within the existing framework to have a Secretary of Education whose responsibilities are exclusively educational and not foist on the President more Cabinet members, which he does not need.

He has too many Cabinet members already, in my opinion. He cannot spend enough time on what he is supposed to do. I think by creating a Secretary of Education within the existing departmental structure, we will get more bang out of the buck and do about 95 percent of what the President has in mind.

Second, I believe that the elementary and secondary education proposals and the bill completely overlook the role of institutions of higher education. What you are doing in the present educational system is putting more money into the local education agency and into the State education agencies quid pro quo and then overlooking the fact that there are the 1,400 schools of education in the country that train the teacher and mold the whole philosophy and practice of education in this country.

You do not provide any money or any leadership or any programs that will redirect the philosophy and programs of education in this country, and, thus, much of the money that you are spending through the local education agencies and the State education agencies is not getting the redirection and innovation which you would get if you use the institutions of higher education as a focal point.

As a dean of education myself, I am the first to say most schools of education in the country are not innovative enough. They are very traditional. They believe in conventional wisdom and, along with most State departments of education, are purveyors of traditional education.

What we need in the country right now is more dynamic innovation and programs that will strengthen the basic skills program, which the President has recommended.

Having been a member of President Carter's Task Force of Education before the election, I am pleased to see he has recommended several of the things those of us recommended, including the basic skills and the reading, writing and arithmetic program which I so strongly endorse.

But if you are going to get a lot of bang out of that buck, you have to bring the colleges and universities along into the 20th century, along with the State departments of education, the local departments of education and the Office of Education.

In my opinion, there is not a sufficient cooperative educational program in the United States at the present time. Each one of those areas goes its own way, like the decentralized system of education, which I espoused, but you are not getting really a tremendously coordinated effect out of the dollars that the Federal Government is putting in.

When I sat in this room 12 years ago with you in connection with the Elementary and Secondary Act of 1965, I thought we would now be at a point where we would be putting $10 billion a year into title I. The greatest disappointment I have had is, over the years, is that neither the President of the United States, the executive branch, the Director of the Bureau of the Budget, nor the Congress have seen fit to invest that amount of money in education.

I believe we ought to be at $10 billion a year today. I think the Congress ought to revise the President's recommendation to put more money into the program than he and the Budget Director have recommended.

In that connection, I find that using dollars at the present time is a completely unsatisfactory method because all of the economic statements assume something in the nature of 5 to 6 percent increase in prices during the next few years.

My suggestion is when you come to your authorizing legislation, you put it into a percentage of the gross national product and not dollars. Dollars become a meaningless factor. Whatever *X* you put into today is going to be 6 percent more next year and 6 percent more next year. and I can tell you a simple mathematical device by which you can figure out what is going to happen.

A 7-percent increase in prices will result in the doubling of cost in 10 years, Mr. Perkins.

In other words, $1 billion today will mean $2 billion in 10 years. A 7-percent increase will buy $1 billion worth of price level support today. No matter how many extra dollars you put into your ESEA law, it is not going to represent a big improvement unless you relate that figure to the gross national product.

What I would like to urge you to do is change your authorizations and put in whatever billions you want but, say, not less than 3-tenths of 1 percent of the gross national product of the preceding year. Then ,we will have some improvement in dollars in the education budget.

But merely increasing the dollars, which are less than what the price increase is, means you are spending less money every year.

Another additional point is that I want to urge you strongly to provide some increased funds for the community education which strengthens the bill Mr. Lehman introduced 3 years ago and which I supported here and which has now been in effect a couple of years.

I want to urge you to greatly expand the role of community education, which is in my main statement. I believe the educational fraternities and sororities of the United States do not understand community schools and community education.

It is my objective that we ought to keep the schools of this country open 16 hours a day, 6 days a week. We have billions of dollars worth of investment in schools and the close-up at 5 o'clock or 4 o'clock at night—they are not open on Saturday in most communities.

We ought to have the schools of this country open from 7 o'clock in the morning until 12 o'clock at night, 6 days a week. We ought we make them available to everybody, from 9 months of age to 90 years of age.

The trouble with most educators, I find, is they think of education in terms of schools and schooling. My idea of education is lifetime learning for everybody, all the time. The schools ought to be open for women, when they want to return to the labor market for paid jobs, so that they can go back to school; whether it be high school, college, or community college people, who want to develop a second career can come back to school; for older people who, when they retire want to use the schools, whether it is education or general leisure time activities.

We are wasting billions of dollars in investment in schools while at the same time there is a so-called surplus of teachers who cannot find jobs. I think the Federal role must be to provide more money for community schools and lifetime learning.

I am sorry to say the President's recommendations overlook that important point, and I hope your committee will redesign that legislation along the lines that Mr. Kildee, on your committee, has been appropriating and that we will monumentally change the face of education in this country from simply a program that begins at 8:30 in the morning and ends at 3:30 in the afternoon, to open the schools, as I say, from 7 o'clock in the morning until 12 o'clock at night.

As far as I am concerned, I would open them up 7 days a week if a community wanted them open 7 days a week and make it possible for early childhood development classes to be held for mothers and fathers and for Head Start Programs to be available.

I find that although the President's program goes in the right direction, it leaves a great deal to be left to your own ingenuity about developing a much more dramatic program.

Finally, I want to emphasize—this is not before you today—that you remedy a great mistake you made last year in the education legislation in section 532B, where you dealt with the important point of teacher centers and then said to all education people, there is only one way to have a teacher center in the United States. If you really want experimentation and pluralism and allow the States and school to do what they think is best, why give only Federal money for one type of teacher center and inhibit whole experimentation programs in the country.

It is not a very important point except that it indicates while Congress wants innovation, when it comes down to it, you do not put it into law. I think we need a more pluralistic innovative educational system and I would like you to change the law to give the State departments of education, the local departments of education, the institutions of higher education and the Office of Education more discretion to put the educational leadership into new ideas and not have the old ideas, some of which ought to be supplanted, what the newer generation thinks is more relevant to the needs of our society as it changes.

Now, I have a final conclusion from being 12 years outside of the Federal Government and that is the regulations that have been issued by the Department of HEW are so voluminous, they are too extensive and too detailed for anybody—I do not care whether it is a State commissioner—I will make the statement.

I do not even believe the Commissioner knows what is in all the regulations HEW has issued. I will say I did not when I was Secretary. I do not think Dr. Riles knows what is in the regulations he is supposed to administer, and the dean of the school of education cannot possibly understand all the regulations that now pertain to education.

I think you ought to put in your committee report that the first objective is you ought to reduce the size about 150 percent. That would be a great help. But I do believe that you ought to give some thought as to how the regulation process ought to be changed as far as education is concerned. These regulations that we are now under have good objectives but result in tremendously increased costs to the locality, on the State and on the Federal Government and also on the colleges and universities.

They cannot pass this cost on. It comes out of the Federal money and the State money and what you have done in the last 10 or 12 years is to create a tremendous burden. If I were to tell you what it takes to submit a project for a Federal grant today, you would be appalled to see the volume of paperwork that is necessary to even get a $25,000 or $30,000 grant out of the Federal Government.

There have been many times, in order to get a $30,000 grant, we have had to spend $2,000 or $3,000 just to go to the paperwork that is required by the Federal Government.

I think that is outrageous. I think it is not what you had in mind and I would hope that you would put into the new bill a more simplified way of coming at the regulatory fundings.

I have a lot of ideas on how to do that but I think that what you have now in the law, which says everybody may make all the regulations they want, is ultimately going to come to be such a paperwork problem for all of us, it will impair our ultimate goal.

What we really want to do is improve the educational quality of these programs. So, I would like to say, Mr. Chairman, that while I think President Carter's proposals are in the right direction and while I think they merit a good deal of support, knowing the independence of this committee, I hope you will put your own thumb prints on that bill you are going to report out and look at what are the needs of education today and develop a more flexible, more innovative program and a wider concept of what education means to the people of the United States than the schooling concept that is in this particular proposal.

Thank you, Mr. Chairman.

Chairman PERKINS. Thank you very much.

I am aware of the administrative position that you held with the Government in the area of education and other areas. When you leave Washington and go back to a particular position within a State and see how our laws and regulations are working, you can see a lot of mistakes. Naturally, I am pleased you offered all those suggestions.

We are going to do our best to try and remedy some of those problems, Dr. Cohen.

For our next witness, we have Congressman Lehman here, and Ms. Ethel Beckham, vice chairman of the Dade County School Board, Miami, Fla.

STATEMENT OF HON. WILLIAM LEHMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. LEHMAN. Thank you, Mr. Chairman.

It is a pleasure and a privilege to be with my old committee again and especially to listen to the superintendent of the California State Department of Education, Wilson Riles' remarks, and to also hear Secretary Cohen's statement, especially in regard to community schools.

I want to thank him for his kind words but the lady I am to introduce deserves even more credit for community schools because if there is anything that has taken place in our school system that has now contributed to almost 100 community schools in the Dade County system, it would be the efforts and the work Mrs. Beckham has done to provide those kinds of educational opportunities for the whole community.

Mrs. Beckham is now serving her ninth year on the Dade School Board. She is the vice chairman and I do not think anyone in the country is any closer to the problems of urban education than Mrs. Beckham. She is a recent past president of the Forestville School Board Association and she knows the problems and concerns of education from the ground on up to the State and national level.

I am particularly happy to call to the attention of the chairman a special qualification for Mrs. Beckham to testify today and that is Mrs. Beckham was born and raised in the State of Kentucky and graduated from the University of Kentucky. It is my great honor to present my good friend and great educator, Mrs. Beckham.

Chairman PERKINS. I was wondering if you were in any way related to former Governor Beckham at the turn of the century. He then ran for the Senate around 1930.

Mrs. BECKHAM. He is part of my husband's family.

Chairman PERKINS. Go ahead, Mrs. Beckham. We are delighted to welcome you here.

STATEMENT OF MRS. ETHEL BECKHAM, VICE CHAIRMAN, DADE COUNTY SCHOOL BOARD

Mrs. BECKHAM. Thank you, Mr. Perkins and committee members.

Let me say before I start to address you, I do appreciate those kind words, Congressman Lehman. He served on the school board as our chairman of the school board when I first became elected. It is a pleasure to appear before you and I want to thank you on behalf of the local school board members too that you have asked for local input and to listen to the problems of the local school districts.

Dade County school system is rather unique in that we have a triethnic county now and we are trying to meet the problems of associating three cultures while we serve some 235,000 plus students.

We have a sprawling community of 1½ million people and it looks as though it will reach 2 million by 1980. People think of Miami as being a playground but truly we reach to areas of agriculture and migrants in the south end of the county and we have a tremendous blue collar area and we now are dealing with furniture and manufacturing realms.

So, we have millionaires and migrants in the Dade County school area. The Dade County school system serves a diversity of ethnic, racial, economic and religious groups as I have pointed out. Our physical concerns are those that are appropriate for all States of the Nation.

I was interested to hear the speaker before me say we really must tie our final problems into the gross national product. At the national level, it is projected by 1981 there will be a deficiency of some $15 billion between revenues and expenditures.

At our State level, a recent study indicated that if the present educational cost trend continues that public education would require 86 percent of the general revenue fund by 1985 if no new tax sources are found.

In Dade County, our actual operating revenues have increased from 21 percent since 1973–74 and our legislators constantly tell us they have given us 21 percent more money, but if you look at those closer, $871 per pupil in 1973 and 1974 and in 1977, that they were giving us $1,056 per pupil.

Actually, our purchasing power in money has decreased for each child $103, if you use the purchasing power as your index. In your efforts to maintain the quality education for all of our children, and the children with compensatory needs, we find that we are in a financial quandry, as all other large urban areas find themselves.

Well over 80 percent of our funds go to human resources—the teacher, the teacher aid, secretaries and so forth.

I will touch briefly on our concerns for the title I program. It has been proposed that the title I money be changed from one based on the poverty level to one based on the number of low-achieving children. From the outset, that may appear to solve many of the problems which we are dealing with with the ESEA title I funds, and it would mainstream into the middle class attendance areas.

But we do have concerns from an analytical point of view. I would like to touch on those if I may. These concerns are, number one: That the formula which attempts to spread itself over such a large number of schools in all grade levels will have a difficult time having an effective delivery service.

The number two concern is that if you use test scores as a means of a formula, it could result in national testing for all students and we look at that seriously.

The third concern is that we know there is a correlation between the low income and the low achiever, and it is important that we look at the facts if we are going to tie Federal programs together that we see they help each other.

For instance, the CETA and work incentive programs, the reduced price lunch program, Head Start, Follow Through. If we can somehow coordinate all of these along with the basic school needs and survival needs, we feel it is more effective.

Our fourth concern and last in this area is if we use the achievement score formula, it could probably result in a rewarding for low achievements, and we certainly do not want to do that. With school districts being confronted with declining populations and surplus personnel, our incentive should be on excellence.

There has been a discussion about concentration of grants for poor children in the schools with more than 20 percent of its enrollment or 5,000 children who come from low-income families. Certainly, Dade County, in Miami, does not have the concentration of low-income students as New York City, Detroit and so forth, but we do tell you we support a formula based on low income and certainly on the concentration grants.

We would like to stress what we have heard other people say this afternoon, that of the excessive paperwork. We would also like to address ourselves to the rerunning of comparability tests which were expressed earlier. I know you have heard it over and over, but I will stress the fact that advance funding is so important for a large, urban school system.

We would like to express the fact we too are for the money following the child. We believe in the concept because desegregation, transferring students from one school of a high concentration of low-income students to several schools, and soon you find that none of them are eligible for the Title I funds that are so needed.

So, we would like the money to follow the child. Parent involvement for the title I program is certainly good. We are using it and have a close relationship, with the parents now becoming involved with helping the child through opening our libraries through the community schools.

We now have found that opening the community school for 2 hours in the afternoon and 2 hours in the evening, we are now reaching 300 low achieving basic skill students who are pulling their scores up by utilizing our community schools.

To touch on the ESEA program, just to give you a background for Dade County, in February, 1970, our school board was required to implement immediately a Federal court order reassignment of 2,000 of our teachers, which we did. In September of that year, the board was required to implement a pupil assignment plan that was designed to eliminate the existing duel system, which we did.

But we do still remain under the jurisdiction of the U.S. District Court. Now, we are finding that we are being confronted with what we call second generation problems related to school desegregation. The rapid changes in our communities, with the influx of the Cubans and the movement in the black area and the fleeing from the inner-city somewhat to the suburbs, leaving behind the have-nots, have left us with quite an urban problem.

We need the money to help us with what we call second generation desegregation. We feel we have one-third of our population falling in this category. We have seven elementary schools that are bilingual. They have a half day in Spanish and a half day in English.

The English-speaking parents in this community attend the neighborhood school, and it does not have to be a bilingual school. The parents have the opportunities to take the student to a completely English-speaking school if the parents are so inclined.

We feel it is becoming more and more important in Dade County that you become bilinguists. The numbers show us this every day; they are asking for bilingual people for jobs. It is important that we all speak Spanish now in Miami.

Just to summarize the bilingual programs, we would strongly consider special funding for the district where there is a high concentration of non-English speaking students.

As for the impact aid, we strongly support wholeheartedly the financial assistance that is being provided under the impact aid funds. We are receiving some $10 million in this category for the Cuban refugees program.

Then, for the adult basic high school, we strongly urge the funding of education for the adult basic skills. We are finding many of the Spanish speaking adults in our adult program have not gone beyond the fourth grade.

For title I, we would ask the funding formula program should be maintained based on poverty level; fund programs according to the agency fiscal year instead of the Federal fiscal year; reduce the excessive paperwork required which has been talked about. Parent advisory committees should remain advisory and not take over the duties and responsibilities of the elected school board officials.

The recommendations under ESAA: A formula for distribution of funds should be changed to make the allocation on the basis of need, that second generation school systems remain eligible to receive ESAA funds to reduce and/or eliminate the problems for our desegregation process.

Make available ESAA funds for pre-integration activities on a competitive basis as determined by justifiable needs assessment to comply with implementing a court order or an approved desegregation plan.

Eligibility criteria for ESAA basic, pilot and bilingual remain the same.

Provision for carry-over of funds into the following program year.

I guess the bottom line for us is that we do believe in the system that we have outlined for you, the tri-ethnic system, compensatory education where we have unequal needs. We feel if we could put the dollars where the needs are, it would solve many of our problems.

Thank you for the opportunity to present our views.

[The complete statement of Mrs. Beckham follows:]

TESTIMONY
of
MRS. ETHEL BECKHAM, VICE CHAIRMAN

DADE COUNTY SCHOOL BOARD
1410 N.E. Second Avenue
Miami, Florida 33132

BEFORE THE

SUB-COMMITTEE ON ELEMENTARY AND SECONDARY EDUCATION

COMMITTEE ON EDUCATION AND LABOR
U. S. HOUSE OF REPRESENTATIVES

MONDAY, MARCH 6, 1978
2:00 p.m.

Mrs. Ethel Beckham is accompanied by
Dr. Joseph DeChurch,
Associate Superintendent,
Bureau of Operations
&
Dr. Edwin T. Demeritte,
Assistant Director,
Federal & State Relations

TESTIMONY

The Honorable Carl D. Perkins, Chairman of the Subcommittee on Elementary and Secondary Education, I am Ethel Beckham, Vice-Chairman of the School Board of Dade County, Florida.

Let me express appreciation on behalf of the Dade County School System for the opportunity to participate in the Congressional Subcommittee hearings on re-authorization of the elementary and secondary laws which expire this year.

I commend you for seeking from local education agencies information relative to the accomplishments, problems, and the need for amending and extending various Elementary and Secondary Acts programs. My presentation will include comments on the following programs:

1. ESEA, Title I
2. Emergency School Aid Act, Title VII
3. Impact Aid, PL 874
4. Bilingual Programs, Title VII
5. Adult Education

GENERAL INFORMATION

The Dade County Public School System is the nation's fifth largest and one of the most complex.

Serving a sprawling metropolitan area, with a definitive multi-ethnic population of 1,467,000, it umbrellas 27 diverse municipalities ranging from the tourist-oriented areas of Miami Beach to the industrial complexes of Hialeah to the agricultural acres of Homestead. While known to thousands as the nation's playground, Greater Miami is also a workground with more than 2,723 manufacturing plants and thousands of white-collar, blue-collar workers in such areas as garment making, airline maintenance, furniture, warehousing, hotels and food businesses, and agriculture.

Dade has its millionaires and its migrants. A profile of its residents' educational background shows 10.79% of its residents have four or more years of college; but 24.05% have only between five and eight years of schooling and 2.42% have none at all. The greatest percentage, 46.83, have from 9 to 12 years of schooling; 11.66% have some college but did not graduate.

Recent statistics show that the population of Dade County has changed significantly. The influx of Cuban refugees into Dade County over the past 15 years has impacted heavily on composition of both the general and school population of Dade.

The Dade County School System serves a diversity of ethnic, racial, economic, and religious groups in communities ranging from highly urbanized through rural/agricultural. Recent projections indicate an increase in residential population from the present 1.5 million to a population in excess of 2.0 million in 1980. The public school population of 235,123, September 1977, is composed of 67,831 Black (28.99%), 73,968 Hispanic (31.50%), 1,377 American Indian and Asian (.59%), and 91,640 White non-Hispanic (39.02%). An additional 307 exceptional child pupils are housed in public or private agencies.

FISCAL ISSUES AND CONCERNS

The financing of education in Florida, as well as the nation, is quite uncertain. In the last twenty years the percent of the nation's gross national product expended for education has doubled and now stands at almost 8% of the total. At the national level, it is projected that by 1981 there will be a deficiency of about $15 billion between revenues and educational expenditures.*

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*McBride, R.H., "Where Will the Money Come From?" Kappan, 1976; pp 248-249.

At the state level, a recent study indicated that if present educational cost trends continue, public education would require 86% of the general revenue fund by 1985, if no new tax sources were found.*

In Dade County, Florida, actual operating revenues per weighted full-time equivalent pupil have increased by 21% since 1973-74, from $871 to $1,056 per pupil. However, when adjusted to 1973-74 levels by the consumer price index, the $1,056 is worth only $768 in purchasing power; a loss in purchasing power of $103 per FTE pupil.

However, in its efforts to maintain quality education for all children the Dade County Public Schools must find additional resources to provide students with compensatory as well as the regular programs and yet provide for the academically talented. The need for these resources is evident but the means by which to generate these additional funds leaves the system in a financial quandry.

Urban education presents a challenging opportunity for federal, state, and local leadership. To this end, more adequate federal funding appears a "must." A combination of leadership must forge new and far-reaching strategies to win its stripes from the consumers for our efforts and actions.

COLLECTIVE BARGAINING

Well over 80% of the funds provided by federal and special grants to our school district will go into the purchase of human resources, people, generally teachers or teacher aides, secretaries or clerks and administrators. With very few exceptions these are usually full-time positions. In filling open positions created by a federal grant, individuals from within and outside the school system may be recommended by the Superintendent and approved by the Board. The uncertainty of federal funding support and the level of funds to be expected

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Florida Department of Education; Florida School Finance Study, July 1977.

create giant problems for school districts, but couple this with a large urban school district like Dade County that is experiencing local funding crisis, and you have a dilemma from which there appears no cure. The impact of losing a federal program, in addition to its loss of local resources, could be catastrophic to our system.

ESEA, TITLE I

It has been proposed that the funding formula for ESEA Title I be changed from one based on the poverty level to one based on the number of low-achieving children. From the outset, this may appear to solve many of the problems which should be addressed in term of directing more ESEA Title I funds to middle class attendance areas which frequently do not receive ESEA Title I assistance. However, from an analytical point of view several concerns need to be addressed if a decision is to be made to use low-achieving test scores to determine the formula for distributing ESEA Title I funds. These concerns are as follows:

(1) Until adequate funding through the appropriations process is made available for Title I pupils, a formula which attempts to spread resources over large numbers of schools and all grade levels cannot provide for the effective delivery of services.

(2) Using achievement (test scores) as the means or formula for the distribution of funds will result in a national testing for all students. In Dade County, approximately 235,000 students would have to be considered for eligibility, when in reality only 50,000 students may meet the eligibility criteria and funding may only be available for 25,000 pupils.

(3) The correlation between low income and low achievement is extremely high although some exceptions do exist. Nevertheless, the problems experienced by students in areas with high concentrations of low-income students require linkage with other federally supported programs. This includes the free and reduced lunch program, the CETA and work experience programs, Head Start, Follow Through, the Migrant program, etc., which when coordinated with Title I, basic skills needs and survival needs can be beneficial and effective.

(4) The use of an achievement score formula can result in rewards for low achievements. Should your test scores improve, you reduce your resources. With school districts being confronted with declining populations and surplus personnel, the incentive should be for excellence.

There has also been much discussion about concentration grants for poor children in schools with more than 20% of its enrollment or 5,000 children who come from low-income families. Certainly, Dade County does not have the concentration of low-income students as New York, Chicago, Detroit, and others. However, we support the formula based on low income and certainly the concentration grants.

The regulations and administration of ESEA programs, in my opinion, appear to be adequate with the exception of ESEA Title I comparability. The excessive paper work requirement, the continuous re-running of comparability tests to achieve compliance and the cost to local district because of on-going personnel changes and specific school needs, makes the situation an impossible one. All ESEA programs should be advance-funded with a contract period which corresponds to the operating school year. When programs begin in October and end in September to correspond to a federal fiscal year, they are beginning late in the school year and ending at a time when personnel commitments have already been made. Consequently, outstanding staff leave federal programs out of fear that programs may not be continued and jobs may not be available after the start of the school year.

The concept of "funds should follow the child" is an excellent one and one that has been expressed by members of the School Board of Dade County for several years. We still believe in the concept because desegregation transferred students from schools with high concentrations of low-income students to several schools, none of which were eligible or became eligible after the reduced concentration. Again, however, funding must be adequate to implement properly the follow-the-child concepts. It is imperative that "a follow-the-child" concept provide a program for the child no matter where the child goes. In urban districts, children move daily and receiving principals will be expecting the revenue generated by Title I children. This, therefore, creates tremendous personnel problems and can diminish the services to be received by Title I students.

Parental involvement has been fully endorsed by the Dade County School Administration. In fact, we see parental involvement extending beyond advisory committees, program reviews, school-site visitations, etc., and into the actual parental assistance in the teaching of basic skills. Parents of Title I pupils frequently learn by helping their students and develop close working relationships with the home, school, and community. It is also our strong belief that the parent advisory committees should remain advisory and final decisions should remain with the elected officials, the School Board.

Last, but not least, we believe that ESEA programs are beneficial to local educational agencies and that opportunities exist for many needs to be met through appropriations made available from the federal government. We encourage a strong commitment to the children of this nation and their education process. You have an opportunity to make this dream come true.

ESAA PROGRAMS

In the school year 1968-69, prior to the 1970 court-ordered desegregation, there was a total of 240 public schools with an isolated minority student population of 41.3% of the 230,697 students.

In February 1970, the School Board of Dade County, Florida was required to implement immediately a federal court-order and reassign approximately 2,000 teachers and establish a specified ratio of Black and White teachers, at each academic level, in all schools in the district. In September 1970, the Board was required to implement a pupil assignment plan designed to eliminate the existing dual system in the district. The successful implementation of those plans resulted in the federal courts declaring the school system to be unitary in the summer of 1971 but the district remains under the jurisdiction of the U.S. District Court.

The district is now confronted by second generation problems related to school desegregation. Rapid changes in community housing patterns have occurred and are still in process. As the economic status of Blacks and other minorities improve, they too are "fleeing" from the inner city to the suburbs leaving behind the "have-nots." The emphasis in the community has changed from the Black-White bi-racial concept of the 1960's and early 1970's to a tri-ethnic, Black-White-Hispanic community of today. The latter group comprises approximately 35% of the total student membership. The district comprises 253 schools with a total student membership of 235,123 of which 69.98% are minorities.

BILINGUAL EDUCATION

We are doing exciting things in the Bilingual Program in the Dade County School System. We have seven elementary schools with a bilingual school organization. These schools teach their regular curriculum in Spanish as well as in English. This is a voluntary program, however, a parent might opt to place the child in a complete and appropriate program in English, if desired.

We are assured that only qualified instructional personnel are teaching English to speakers of other languages or where native English-speaking ability is required. We make sure that the children in these programs are receiving instructions in a total program that includes music, art, and physical education and any other programs which do not require extensive use of English. English and Spanish-speaking programs on the whole require that non-independent students be provided a minimum of two hours of English daily and secondary level students provided a minimum of two periods of English daily. In the transitional bilingual basic skills school program, intermediate students are provided a minimum of one period of English daily. The remainder of the day, when appropriate, the student is provided with instruction in Spanish.

It is important that students be properly classified and monitored as they move toward the regular English program. In our Spanish foreign language programs where students are enrolled for Spanish as a foreign language at the elementary level they are provided with 30 minutes daily or 150 minutes weekly instructions in the Spanish language. This is voluntary on all levels of instruction concentrating in grades two through six. We will add grade one when and if resources are available. Technically, a student in our school system could continue Spanish instruction from grades two through twelve. At the junior high level, the foreign language program expands and other languages are offered.

There is no more controversial area in education today than this area and we feel the Dade County School System is doing an exemplary job. We have been compelled to provide instruction for students of non-English-speaking origin and this requires a tremendous expense in time and resources to carry this out. The bilingual funds do not now meet these needs. We need an understanding in this area.

BILINGUAL PROGRAMS RECOMMENDATION

That the Federal Government give strong consideration for special Bilingual funding to school districts with high concentration of non-English-speaking students.

IMPACT AID RECOMMENDATION

Dade County Public Schools support wholeheartedly the continuation of financial assistance that is provided through Impact Aid funds.

ADULT BASIC and
ADULT HIGH SCHOOL PROGRAMS RECOMMENDATION

Strongly urge the funding of Adult Basic Education to provide adults with skills which will allow reasonable functioning in society.

ESEA, TITLE I RECOMMENDATIONS

1. Funding formula for Title I program should be maintained based on the poverty level.
2. Fund programs according to agency fiscal year instead of the federal fiscal year.
3. Reduce the excessive paper work required for ESEA, Title I Comparability.
4. Parent Advisory Committees should remain advisory with final decisions being made by the elected officials, the School Board.

ESAA RECOMMENDATIONS

1. Formula for distribution of funds should be changed to make allocations on the basis of need.
2. That second generation school systems remain eligible to receive ESAA funds to reduce and/or eliminate problems incident to the desegregation process.
3. Make available ESAA funds for pre-integration activities on a competative basis as determined by justifiable needs assessment to comply with implementing a court order or an approved desgregation plan.
4. Eligibility criteria for ESAA Basic, Pilot, and Bilingual remain the same.
5. Provision for carry-over of funds into the following program year.

Chairman **Perkins**. Mr. LeFante?

Mr. **LeFante**. I would like to introduce the superintendent of the schools I attended, Mr. William Hin. I would like to thank all the people here today. I do not know if it is speaking well of your system or not, but I did wind up in the U.S. Congress, Mr. Hin.

I would like to say, Mr. Chairman, you know and I know Mr. William Hin, of the Bayonne Public School System, is no stranger to this committee. He has been very helpful and extremely generous of his time with this committee in the past, and as usual, has come forward again and not only has he volunteered any assistance he has been able to give to this committee, but he is prepared to document and present some facts that will be very helpful to us in the final mark-up of the bill.

I know he does an excellent job in our town assisting the committee, as he has in the past. I would like to introduce Mr. William Hin, superintendent of the Bayonne Public Schools, Bayonne, N.J.

Chairman **Perkins**. We are delighted to welcome you here again, Mr. Hin.

STATEMENT OF WILLIAM G. HIN, SUPERINTENDENT OF SCHOOLS, BAYONNE CITY SCHOOLS DISTRICT, BAYONNE, N.J.

Mr. **Hin**. Chairman Perkins and members of the subcommittee, for those of your colleagues who were not here, about 5 years ago, I had the distinct pleasure of inviting Chairman Perkins to one of my son's wedding. At that time, I suggested if my son in New Jersey had the wisdom and the foresight to select a beautiful girl from Congressman Perkins' district in Kentucky to marry, that indeed the Perkins of Kentucky probably would have the wisdom and foresight to grant the Hins of New Jersey some of the education needs of that particular year.

I would like to thank you personally and professionally for what you have done in those insuing 5 years. We have gained a great deal, I think, in terms of stature. We have suffered some financial problems vis-a-vis the earlier comments by other witnesses today.

But I think we remain in each other's good graces to the extent that certainly you. Chairman Perkins and Mr. LeFante, will most certainly be invited to the next family wedding.

Chairman **Perkins**. Great.

Mr. **Hin**. Public education from my quarter century of years in rural, suburban and urban school districts administration is going to continue to suffer some serious fiscal support problems for the 1980s. I regard public education as having democratized the people of this Nation. I do not think it can be replaced as an institution and I do not think it can be overlooked.

Education, as an initiative, enables people to go out and succeed in a community and in the Nation. Rather than spend many hours on fiscal analyses, some of which we have presented to you in written form, or on the amounts for increased dollars that are necessary to spend for education, let me summarize on budget sheets—hundreds of pages on our urban districts—with the conclusion that today I have less money and resources to spend on the instruction and education of the pupil than ever before.

The increases in the budget have to either be underwritten with new money or some other instructional resources and the instruction, itself, simply does not keep pace. The easy illustration is that we cannot sometimes reduce our labor force.

We cannot—even though we have had strikes sometimes—come to a labor agreement conclusion and we somehow or other get forced into a posture of reducing textbooks or supplies or something dealing with instruction and I submit, ladies and gentlemen, that is wrong and it should not be continued.

It will lead to nothing but stagnation and decay of the quality of the individual or the group instruction. I would like to point out we have developed energy-saving and fuel-saving techniques to save 10 to 15 percent of fuel in the past and in our county, we have been pressed to control the school budget and we have yet had to spend more money on so-called "requirements" like oil and electricity.

At the same time, I can look across New York Bay and I have seen no decline in the neon signs on Madison Square Garden's or Broadway's lights and I sometimes have a little bit of a problem reconciling our problems to our value system. In terms of referring to our system—and I think this is characteristic of most cities in the Nation, I know it is of most of the major cities in our State of New Jersey—I am not talking about chrome-plated or exhorbitant education services.

In our city, we have a set of goals: No. 1, to provide a strong traditional education program—the three "R"s. No. 2, to provide pupils self-development which helps them to have a good self-image and helps create a good and nice person. No. 3, we develop the pupil's community loyalty and patriotism and pride in American citizenship.

Now that is a traditional and very strong-minded, educational program. With respect to today's testimony, I would like to make some comments on ESEA on vocational education, community education and impact aid.

With respect to ESEA the programs there, I think, should definitely be continued. Utilization of the act and its provisions has enabled us in our schools to assess areas of obvious needs, to address those needs with very carefully tailored programs. Our reading, mathematics, sciences and libraries have all benefited from the Elementary and Secondary Education Act over the past 13 or 14 years. Pupils with deficiencies in learning have been analyzed. We have done some good testing and evaluation.

While some cities and some government departments and some educators have disagreed concerning the methods or priorities attached to ESEA, I think its basic goalset has been good and with a pragmatic outlook, we have tried to do such things as, "Educate the youngsters who are not reading or not reading well during the first 5 years of school," and teach them how to read, period. No ifs, ands, or buts.

We have had some good programs, some good people, some good in-service activity and good materials put to use, thanks to ESEA fiscal funding.

We have developed excellent parent participation but have not allowed the parent group to usurp the teacher or board role. In terms of community education, we have expanded and adopted those basic concepts and have many of our schools now in use, as Commissioner Cohen indicated, on a round-the-clock kind of basis, from 7 a.m. to 10 p.m.

In summary, our ESEA program has been designated within the past year as exemplary at the national level. We want to see ESEA funding continue to be expanded in line with the economic ability of the Congress and Appropriations Committee and preferably forward funding. The carryover provisions do help us in the latter regard. I have been delighted today with Commissioner Boyer's plan to streamline ESEA policy and with title I proposals to a 3-year system, which, I think, is long overdue—but our compliments to him in that regard.

There is a problem which affects title I pupils' eligibility with respect to racial balance and desegregation. One would also think the gentleman from Wichita and Dr. Riles had been in contact with each other with extrasensory perception. He was speaking about the problems which they have with services following the child.

In carrying out the basic on city school system plan, one of New Jersey's large cities designated peacefully with remedial services according to our State Board of Education and Commissioner of Education, following the child. However, neither title I or title VII have delivered subsequencially on the assurance.

I am now faced, with our school board, with two negative choices—should we dismantle a good title I program or dismantle a peaceful integration plan? Ironically, the Special Project Office, at the Federal Government level, in interpreting their own regulations, are now suggesting that perhaps we should have revised integration until forcibly, a court order is needed to continue to have children eligible for title I services. And that, I submit, Mr. Chairman, and members of the committee, is utter nonsense. The correlation between ESEA title I guidelines and racial balance jurisdictional plans is now showing up in our case, just as in Wichita's, to be counterproductive and, I would say further, assinine. I would give you a simple example.

With two $1 bills and with this book—if I take a child and if I spend one of the dollars on the book and the other dollar on a teacher service, I get those two dollars for this from ESEA funding, so I can take that child, because of where he resides, and I can provide him those services.

Another jurisdiction coming into this insists that you have to manufacture a plan—hopefully a peaceful one—that rather than bump heads, I have to move those children to other locations. I was made to take him where he did not want to go, and I did not want to put him, and now I am told I can no longer take those $2 and spend it on him. He is in need of the service I was forced to give and he was forced to make that move and I am simply frustrated.

I went through a desegregation process as a superintendant in an urban area for 8 years and 8 months, and developed finally in a community, a peaceful plan despite a lot of controversy attached to it, and we are proud we were able to accommodate ourselves and accomplish this as an opportunity, under the laws of this country.

Mr. Chairman, I submit this is an assinine relationship. It is disfunctional and counterproductive when we cannot correlate ESEA title I and racial balance jurisdictional requirements. The only solution that the Federal officers have offered me is forget ESEA title I and go to ESAA.

That is great. I can use it for 9 months, afterwhich it is over. I do not want to give up a program I have had for 14 years, and probably would have for another 14, which benefits those children and basic primary services in order to get something I can only use for 9 months.

I do not think we can further allow this kind of regulatory disorder or misalignment.

Vocational education is one of the most valuable components of American education. We have trade, vocational and technical schools in the private and public education sectors and we have had them for generations.

The elitist European continental system of education distinctly values vocational education and prides itself on education. However, those who cannot pass academic hurdles during the early teenage period tend to be guided into vocational and skill training.

Our Vocational Training Act of 1968, as amended, often addresses 15 percent of its funding toward the educationally disadvantaged. The 1963 Public Law 88–210, commonly called the Vocational Education Act, is justifiably termed a modern landmark to modern education circles.

Vocational education is more costly than normal education costs, witness machines shops and so forth. Many regional vocational schools have been created across the Nation since 1963, greatly helping the pupils who are employment bound directly out of high school.

But our cities and our urban areas which tend now to have the older vocational schools, find themselves in distress in terms of an inability to meet the heavy cost of reequipping and modernizing vocational and trade schools to serve their proper function.

I would here, Mr. Chairman, and members of the committee, urge that you extend vocational funding to provide a new form of incentive aid, if not this year by next year, to rebuild and modernize vocational centers in the public schools in the cities of this Nation, to the point where the education and labor employment effects can be realized by 1980's.

There will be not only educational effects accruing to our advantage, but employment and labor effects as well. I would hope you can help us build in the average cities of the Nation, a minimum of one or two new vocational classrooms per year. In 20 years, that kind of building would represent a landmark in and of itself to the tribute of this committee and the Federal Government of this era.

The expansion and renovation programs for urban and city schools for vocational and technical use should remain under the control of the public school system. The State education agencies working with LEA's can develop appropriate plans and make effective decisions, just as they have done in the past 10 years in regional school developments.

But I would hope—and again these remarks will accompany those of two former speakers this afternoon—I would hope that you would constrain in a committee the present funds to work directly through State boards of education and State departments to the local education authorities, so that the providor advertising for vocational and technical skills and education curriculum content or buildings and equipment needs can be handled through the State and local cooperative.

Industrial regulations in factories often impede the possibility of youth training on-site within an industry. A review of vocational legislation, as you continue to refine it, ought to provide some incentives for not only refurbishing older programs in the schools, realizing those in cities will not in and of themselves successfully gain much local fiscal support; secondly, you ought to provide incentives for cooperative programs with all types of industries and business; and some controls which will retain the education aspects of technical education within the public education training program.

Our most recent experiences within the past 24 months with our technical graduates have been most rewarding. I mean that ever so sincerely, most rewarding.

Our Vocational and Industrial Clubs of America are on the rise, such as Future Farmers of America and which provide so great an influence upon teenage Americans, and have for the past 50 years. On a State and national level, they are broadspan in interests and have shown me some of the finest kinds of educational activities and some of the finest types of pupil development that I have seen in over 27 years in public schools.

We are trying to teach students in the vocational shops these days not only modern, logical skills but we are trying to teach them good values, to make them givers and not just takers of social and community service within our community. And they are the fastest moving, the finest group of people as an individual group of any that we enjoy.

They have been meaningful and constructive. They, themselves, are teaching us as adults the meaning of dignity and value well taken.

There is a positive correlation between good vocational education and employment—let's take advantage of that, and turn out literate citizens who can make a good job choice and know how to work.

Impact aid and Public Law 874 are of great interest to our schools. We regard this aid as a vital positive portion of our annual school budget. We have received such aid for about a quarter century. It constitutes a very important fund for part of the educational costs which naturally accompany the schooling of the children of those who are resident on base, resident in the city and work on base, or are in public housing.

It costs our system almost double any impact aid provisions, to educate each pupil per year. Therefore, the impact aid does not represent any grandiose gift, but rather is a modest contribution toward the children's education.

Your consideration of removing first out-of-state cases from Public Law 874, and your consideration of removing out-of-county cases are ill advised, to say the least. We sit on the greatest harbor in the world, and our military and naval terminal is the United States' largest facility of its type.

We and it are situated at the very edge of our State and county, looking across at the other State and other counties. Now, when we have any family transfer across the harbor to another naval station or military command or government installation, or vice versa, your changed regulations would remove from not only one of our school systems, but removes from both, any eligibility to recoup some modest portion of the educational costs for children of government personnel assigned here.

We firmly believe all three sections of Public Law 874 should be held harmless in our district, so long as the historical conditions continue to exist on which funds are based. We believe you should consider increased funding, beyond the national average formula, and that you should forward fund and fully fund existing policies, to avoid shortfalls which we have experienced.

With respect to land value for the naval and military installation in our Bayonne School District, let me simply testify that if you will simply give that land site to the city from which it was taken by court direction in 1944–45, the property will be made promptly a portion of the ratable tax base of this city.

Taxed in line with other city property here, it will as a single taxed property site, support the entire public schools system of this urban city, by itself.

If we cannot enjoy the taxable base value thereof, please let us have held harmless the impact aid revenues which we badly need here in our schools.

Please do not dismantle the impact aid system which has benefited us for so many years, and which was established for very sound reason.

As you try to do that, you will cause 94 of the 96 school districts in New Jersey now receiving impact aid, to lose their total impact aid, and the remaining two districts will but receive a smaller portion of their educational costs.

Our districts feel they are entitled to impact aid for good reason. If you dismantle the legislation on fiscal aid, then give us the land to tax locally for our district.

Many of us, Mr. Chairman, in closing I would like to say, appreciate all that you have done and I publically commend and compliment you on the great work that you have accomplished over a number of years. You have helped to fàvor the Nation's schools, whether they be in the cities, suburbs or rural settings and we indeed appreciate that during the 1930's, 1940's and 1950's we consolidated schools especially in rural settings. And you and Mr. LeFante well know I have been involved in the largest rural consolidation in upper New York State, which occurred in 1954 through 1957 which 61 districts were organized into the largest consolidation in New York.

The schools there and the services there, I can assure you, are better because of that. During the 1950's and 1960's we observed a suburban growth boom. Educationally, many new schools were created and they have fostered many quality education programs, and which tended to be very interested in having quality education and willing to try to make good efforts.

But most of the urban areas and the cities from World War II to the present have continued to work with old facilities and lesser dollars per pupil for programs. They have not been able to improve their schools very much, yet they are still the sources to receive the imigrants, the transitories, the migrants and less able economically. We continually strive to repair them. We have less money to spend per pupil than suburbs, with their richer and newer programs and more modern facilities. Can you remove any urban or city aid?

In the past month, Governor Byrne and New Jersey and Governor Carey of New York have again cited the express need of not only New York City, but of a substantial number of medium and large cities in the United States. Yet, *The New York Times* "The Week in Review" headlines, "What To Do? The Cities Desperate, Await the Carter Plans."

Without making cities permanent wards of the Federal Government, but recognizing that National Commissions have themselves over the past decade urged Federal aid toward doing several things at once and regularly, I here submit that it is in the highest national interest for your committee and the Congress to maintain and expand monetary assistance to cities and to the education programs therein.

Cities are not all alike in their conditions and priorities, and therefore, I remind you once more that enlarged assistance, thereby strengthening public schooling and improving labor and employment, ought to be sent to industry, State departments of education and local education authorities.

Forward funding is important to enable decent planning and efficiency. If you must categorize funds, please use policy statements rather than complicated bureaucratic guidelines, allow for the State and its cities to priortize objectives and strategies. We are not apprehensive of accountability, and even welcome it.

I thank you very much again, Chairman Perkins. I have much appreciated the opportunity to place before you and Mr. LeFante our views.

Chairman Perkins. Thank you very much.

[Mr. Hin's full written statement follows:]

BAYONNE PUBLIC SCHOOLS
BAYONNE N. J. 07002

WILLIAM G. HIN
SUPERINTENDENT

437-3000

March 6, 1978

TO: The Hon. Carl D. Perkins

Chairman

Congress of The United States

Committee on Education & Labor

FROM: William G. Hin, Superintendent of Schools

Bayonne City Schools District, Bayonne, N.J.

RE: Testimony on Educational Legislation

Rayburn 2175 House of Representatives

Monday, March 6, 1978 at 2:00 p.m.

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BAYONNE PUBLIC SCHOOLS
BAYONNE N. J. 07002

WILLIAM G. HIN
SUPERINTENDENT

437-3000

2/28/78

TO: News Media (News Advance Sheet dated 2/28/78)

FROM: Bayonne City School District

RE: Federal Aid to Education

The United States Congress has scheduled Bayonne City School Superintendent William G. Hin to testify on federal aid legislation which affects Bayonne, Hudson County, and the State of New Jersey. The Congress Committee on Education and Labor has notified Hin that it expects him to appear next Monday, March 6, in the Congressional Hearing Room in Washington D.C. The notice was issued by Hon. Carl D. Perkins, Chairman of the Committee and Member of Congress from Kentucky, who has been a dominant leader of national legislation and federal aid to both education and labor in recent years.

Superintendent Hin testified before the U.S. Senate Appropriations Committee six years ago, headed by Senator Warren Magnuson of Washington. The Senate Appropriations then expanded federal support for assistance to public schools for scientific and other curricula related equipment, and grants were used to add new laboratory equipment and furniture at BHS. Three years ago, Hin testified before the Congress Education Committee, urging continued and even expanded federal general aid to education. He intends to stress similar current school needs, plus support impact aid which Bayonne receives for the M.O.T and which is being threatened with curtailment or even termination after this year.

Hin stated, "I have worked very hard to gain additional federal and state funds for our Bayonne Schools over the past eight or nine years. We have done rather well, and now obtain three times as much financial aid annually. Some direct and special grants together add up to about two million dollars in the past seven years. Such funds are of great help in improving facilities, strengthening school programs, and hiring special teachers to embellish our educational staff. I will appeal for continuation of a strong ESEA policy, annual funds to help finance education costs for the Military Ocean Terminal personnel families, additional support for the escalating costs of vocational and technical education."

Chairman Perkins and the Congress Committee complimented Superintendent Hin on his appearance in the Congress in 1974, and used his content and testimony. The Bayonne Schools chief has enjoyed a sound and productive professional relationship with Chairman Perkins, former Congressman Domenick Daniels, and current Congressman Joseph LeFante in assisting to shape legislation which helps education and youth. Hin is one of a small cadre to annually meet with all of New Jersey's Congressmen, plus with Senators Clifford Case and Harrison Williams, seeking improved aid for the cities of New Jersey.

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Public Education is in need and will continue to have serious fiscal support problems in the United States for the 1980's and the forseeable future.

Public education is THE CORE FORCE which has democratized the peoples of our nation for many generations - it cannot be replaced, and it cannot be overlooked nor set aside.

Education plus initiative enable a person to grow, to succeed, to be forever a bright spot in the community and nation.

Rather than spend hours on fiscal analyses and amounts of increased dollars that are spend on education, let me summarize with the simple statement, "today I have less money and resources to spend on the INSTRUCTION and EDUCATION of the pupil than before. And each year, while materials and services and labor costs escalate, the increases are underwritten with either new money or with some instructional resources - instruction simply does not keep pace."

The aforegoing situation can but lead to stagnation or decay in quality of individualized and group instruction.

Am I referring to chromeplated, superstar, deluxe, exhorbitant educational services? Not by a long sight! In my city system, our entire community plus our staff participated in a survey of goals which since 1976 are:

1. Provide a strong traditional, basic education, consisting of language arts, reading, mathematics, writing - the 3R's.
2. Provide pupils with self development which helps them have confidence, good self image; a good and nice person.
3. Develop in pupils community loyalty and patriotism and pride in American citizenship.

Accompanied with some additional, positive goals, our Big Three provide recommittment to the strong traditional American school.

With respect to the Elementary & Secondary Education Act, that should be continued. Utilization of the Act and its provisions has enabled our Schools to assess areas of obvious need, address said needs with carefully planned and tailored programs. Our reading, mathematics, sciences, library and instructional materials have all distinctly benefited - pupils have been analyzed as to learning deficiencies, staff programs placed into position and activities carried on which distinctly improved pupil learning in most cases.

While some cities, some government departments, and some educators have disagreed concerning methods or even priorities, our ESEA programs have maintained a basic goalset and a pragmatic outlook, such as "identify those who are not reading or not reading well in the first five years, and teach them to read, period." We have some good programs, some good people, some good inservice, some good materials. We have developed an excellent parent participation, but not allowed any parent group to usurp the teacher or administrator or board role. In summary on ESEA, our basic program has been designated as exemplary at the national level. We want to see ESEA legislation and funding continued, expanded annually in line with the economy, and preferably forward funded in assurance: the carryover provisions do help in the latter regard

There is a problem with ESEA Title One which affects pupil eligibility. Once eligibility is found, based upon geographic residence in the district (neighborhood or zone), I say the service must be not only provided, but must follow the pupil to wherever he legally attends school within the District. There is a serious problem here which deals with racial balance Plans which are required, and I cannot see either one sublimating the other, not when simple logic and common sense provide an easy solution, a simple policy, and a perfect attainment of the ESEA purposes, at once. (See pg. 7-example)

March 3, 1978

MEMO

TO: William G. Hin, Superintendent of Schools
FROM: Dr. Edward Kealy, Desegregation Coordinator
RE: Title I Services under ESAA

The U.S. Office of Education Special Project Office was recently presented a briefing on Special Compensatory Services under Title VII ESAA. This grant catagory would fund Title I Services for students who have lost eligibility due to a desegregation plan.

The Special Project Staff stated that districts such as Bayonne would not be eligible for such funding since a plan must be court ordered. A Commissioner's order is not sufficient under this interpretation of the regulations. It should be noted that no other ESAA grant regulations have been given this interpretation. Bayonne carried out its plan with assurances by the State Commissioner's Office that remedial services would follow the child. However, neither Title I nor Title VII have delivered on this assurance. Bayonne now has two negative options: (1) dismantle an exemplary Title I Program; (2) dismantle a successful Integration Plan.

Ironically the Special Projects Office's interpretation of regulations suggests that Bayonne should have resisted integration until a court ordered it, thus making children eligible for services.

(You may wish to bring this to Ass't. Commissioner Goldberg's attention when you are in Washington.)

The correlation between ESEA I guidelines and racial balance jurisdictional plans is counterproductive and actually asinine. (Use dollar example in physical setting to show dysfunction.)

EK/rm

Vocational Education is one of the valuable components of American education. We have had trade, vocational and technical Schools in the public and private education sectors for several generations.

The elitist Eoropean continental system of education distinctly values vocational education, and those who cannot pass the academic hurdles around the early teenage period, are guided into vocational training.

Our Vocational Training Act of 1968, as amended, even insures fifteen percent of funding earmarked for the educationally disadvantaged (other than handicapped). The 1963 PL 88-210 commonly called the Vocational Education Act, can justifiably be termed a modern landmark.

Since vocational education is more costly than normal classroom instruction, witness the equipment costs for machine shops, laboratories and so forth, it is critical that federal aid continue to underwrite vocational costs. Many regional vocational schools have been created across the nation since 1963, greatly enriching the schooling for pupils who are employment bound directly out of high school. Those Schools and the older city vocational and trade centers both need annual funding to assist operational budgets and continuity.

Our cities and urban areas with older vocational schools have an individual need, as well. Most are at this time a half century old, many requiring extensive modernization plus re-equipping, if they are to serve their proper function.

I here strongly urge extending vocational funding to provide the incentive for urbàn cities to rebuild and/or modernize their vocational centers in the public schools, to the point where their educational and their labor employment effects can he realized for the 1980's. Immediate employment and long term school effects will accrue.

The expansion and renovation programs for urban and city schools for vocational and technical use should remain under the control of the public education system. The State education agenccies working with LEA's can develop appropriate plans and make effective decisions, just as they have done in the past ten years in regional school developments.

With the advent of work cooperative programs, some of which could be handled in heavier industry, with the proper legislative guidelines, we have had many pupils develop their skills and work habits to the point of ready and direct employment following secondary school graduation.

Howev er, both industrial regulations in factories and also labor regulations often impede the possibility of youth training on site, in industry. A review of vocational legislation, as you continue and even refine it, ought certainly to provide incentives for:

1. Refurbishing older programs in the schools, realizing those in cities will not successfully gain much local fiscal support, while they are still serving the largest clientele.
2. Cooperative programs with all types of industries and busines
3. Controls and development kept within the educational system.

Some of our recent educationa experineces with vocational training and technical school have been most rewarding, with respect to the quality of work accomplished by pupils.

Similarly, the pereonal development of these pupils has been outstanding in many, many cases.

Our VICA Vocational & Industrial Clubs of America are on the rise. They are cast in the role of the FFA Future Farmers of America which provided so great an influence upon teenage Americans over the past fifty years. They are broadspan in interests, covering the gamut of vocational and technical trades and occupations. Related with their activities are many fine community services performed by the youth, enabling them to experience social and community service as givers and creators, not just takers.

We are vitally interested in elementary grade level Technology for Children T$C programs and have hundreds of staff and thousands of students who have gained productive insights into future worlds of work, Career Education and wise career choicing. These and related PreVocational Education programs are most valuable offshoots of Vocational Education generally. They are meaningful, constructive learning activities. They teach the dignity and value of labor.

We believe firmly in the need for continuity and expansion of vocational funding, with the corollary repeated, that it be channelled through state education agencies to the cities. National priorities should by all means be expressed at the policymaking level, to give some direction to program content in vocational education, where it is warranted by either national aims or express needs.

→ There is a positive correlation between good vocational education and employment - let's take advantage of that, and turn out literate citizens who can make a good job choice and know how to work.

Impact Aid and PL 874 are of great interest to our Schools. We regard this aid as a vital positive portion of our annual School Budget. We have received such aid for about a quarter century. It constitutes a very important fund for part of the educational costs which naturally accompany the schooling of the children of those who are resident on base, resident in the city and work on base, or are in public housing.

It costs our system almost double any impact aid provisions, to educate each pupil per year. Therefore, the impact aid does not represent any grandiose gift, but rather is a modest contribution toward the children's education.

Your consideration of removing first out-of-state cases from PL 874, and your consideration of removing out-of-county cases, are ill advised, to say the least. We sit on the greatest harbor in the world, and our military and naval terminal is the United States' largest facility of its type. We and it are situated at the very edge of our state and county, looking across at the other State and other counties. Now, when we have any family transfer across the harbor to another naval station or military command or government installation, or vice versa, your changed regulations would remove fro not only one of our school systems, BUT REMOVES FROM BOTH, any eligibility to recoup some modest portion of the educational costs for children of government personnel assigned here.

We firmly believe all three sections of PL974 should be held harmless in our district, so long as the historical conditions continue to exist on which funds are based. We believe you should consider increased funding, beyond the national average formula, and that you should forward fund and fully fund existing policies, to avoid shortfalls which we have experienced

With respect to land value for the naval and military installati in our Bayonne School District, let me simply testify that if you will simply give that land site to the City from which it was taken by court direction in 1944-45, the property will be made promptly a portion of the ratable tax base of this City.

Taxed in line with other City property here, it will as a single taxed property site, support the entire public school system of this urban city, by itself.

If we cannot enjoy the taxable base value thereof, please let us have held harmless the impact aid revenues which we badly need here in our schools.

Please do not dismantle the impact aid system which has benefite us for so many years, and which was established for very sound reason.

As you try to do that, you will cause 94 of the 96 school districts in New Jersey now receiving impact aid, to lose their total impact aid, and the remaining two districts will but receive a smaller portion of their educational costs.

Our districts feel they are entitled to impact aid for good reason. If you dismantle the legislation on fiscal aid, then give us the land to tax locally for our District.

Many of us in public education since World War II have followed the developing history of the nation's schools in cities, suburbs and rural settings.

During the 1930's and the 1940's, and even the 1950's, we observed a need to consolidate small schools, create larger districts, offer broader and more extensive educational services in rural settings. A tremendous historical job was done in putting modern facilities with good quality programs into the countryside. I have not only watched that, but have done part of it. Between 1954-57, I had some part in the staff and community efforts which organized sixty one rural tiny school units into the largest geographical school district of that era in New York State. The schools and programs and services, thus public education, are better there for that.

During the 1950's and the 1960's, we observed the greatest "suburban growth boom" the world has yet seen, and educationally developed many new modern schools across the USA. These schools tend to be new, modern, up to date in equipment, with parent and student clienteles which foster quality education program efforts.

Yet, most urban areas and cities from World War II to the present have continued to work with old facilities, much lesser dollars per pupil for programs. Concurrently, these cities have absorbed the population shifts that are still immigrant, migrant, transitory, less able economically. The facilities of my urban city are as old or older on average than any in our State, and we must continually strive to repair most of them. We have less money to expend per pupil than suburbs, so they have a richer program in modern facilities. Can you remove any urban-city aid?

The urban areas and the cities of our nation are in dire need in many cases of reconstitution and revitalization, if they are to remain peaceful vital population centers, productive of employment, education, health and social services, and culture.

Within the past month, Governor Byrne of New Jersey and neighboring Governor Carey of New York State have again cited the express serious needs of not only Newark or New York City, but of a substantial number of medium to large cities in both states. Their citations are echoed by other leaders in state government across the country.

Yesterday's New York Times "The Week in Review" (3/5/78) headlines, "What To Do? The Cities Desperate, Await the Carter Plans." Without making cities permanent wards of the federal government, but recognizing that blue ribbon National Commissions have themselves over the past decade urged federal aid toward doing several things at once and regularly, I here submit that it is in the highest national interest for the Congress to maintain and even expand monetary assistance to cities. Since cities are not all alike in their conditions, problems and priority needs, I here urge you legislative leaders to continue current legislation and consider enlarging assistance that directly affects education - thereby in strengthening public schooling, improving our labor and employment force for the immediate future as well. I believe funding should be more general than categorical. It should flow to cities through state education agencies. Forward funding is important to enable decent planning and efficiency. If you must categorize funds, please use policy statements rather than complicated bureaucratic guidelines, allow for the state and its cities to priortize objectives and strategies. We are not apprehensive of accountability, and even welcome it.

Chairman **Perkins**. Our next witness is Mr. James W. Miller, Federal Legislative Liaison, Ohio Department of Education.

STATEMENT OF JAMES W. MILLER, FEDERAL LEGISLATIVE LIAISON, OHIO DEPARTMENT OF EDUCATION

Mr. **Miller**. Following the stature of the previous witnesses is not an easy task, but I do appreciate the opportunity to give our views on H.R. 11227. As the committee is aware, Mr. Mottl provided very effective leadership on the committee on behalf of the legislation.

As you know, Mr. Chairman, Ohio is one of the strong supporters of Title I in any city. We appreciate very much your efforts. In the interest of time and with your permission, I would briefly summarize our comments concerning H.R. 11227. I have submitted a statement for the record.

Continued declines in certain standardized test scores, increasing costs for elementary and secondary education, and a pervasive impression that the public has lost control over the educational process have combined with a variety of other factors in the past decade to generate an impression among a portion of the citizenry that a significant number of graduates of the public schools do not have the necessary basic learning skills to become contributing members of society.

Actions by parents in California and New York, who have sued the public schools for alleged failure to provide their children, who have graduated, with adequate skills epitomize the current dilemma.

Something must be done to assure the public that the tax dollars are being efficiently and effectively spent and, therefore, children properly educated. The elusiveness of a simple solution to a complex problem is not surprising.

To restore credibility to the public schools, to assure each youngster an appropriate and adequate education, and to assure that each youngster who graduates is capable of employment or further education are worthwhile but difficult goals to accomplish.

To meet these goals will require time, energy, and resources. As a major first step in accomplishing these goals in Ohio, on April 4, 1977, Superintendent of Public Instruction Franklin B. Walter, appointed a departmentwide task force to "examine competency or performance-based systems presently being utilized in some school districts and other States for the purpose of making recommendations for actions in Ohio."

The task force has been meeting regularly since that time and has been engaged in a comprehensive review of the literature and concluded a major survey of the practices.

The basic purposes of the survey were to determine what other States or school districts have done in terms of requirements for early entrance to school, provisions for promotion from grade to grade, graduation requirements, or provisions which would permit students to graduate before the completion of 12 years of school.

In addition, the survey attempted to find out what methods have been used for measuring how well students meet expectations and what procedures have been used for intervening with students who do not meet the minimums.

We found very interesting results which the committee may wish to examine. First, States operating or planning minimum competency activities have been motivated primarily by the State department of education or State board of education, rather than by State legislative mandate.

Second: States with minimum competency programs concentrate on establishing and measuring performance levels in the basic skills areas of reading and mathematics. The grade levels assessed very considerably.

Third: Minimum competency levels are set in most States at the State level by the State education agency through a consensus of teachers, administrators, board members, and citizens.

Fourth: The most frequent approach to measurement of student performance is that of paper and pencil tests.

Fifth: In most States, the instruments used to measure student performance are developed or purchased at the district level.

Sixth: Development of such a program can be expected to take from 2 to 5 years.

Seventh: The four major problems in implementing such programs are (1) Lack of financial support; (2) difficulty of defining competency levels; (3) lack of measurement instruments; and (4) lack of sufficient time to implement the program.

We have been holding these meetings and there appear to be a consensus of the number of issues. The first was that any minimum competency program be not simply a testing system intended to sort youngsters, but focus on adjusting the curriculum for those youngsters who have difficulty meeting expected minimums.

The second recommendation was that any State minimum competency program include a maximum amount of local control. The State departments of education should provide technical assistance.

The third recommendation that was any minimum competency program provide for a variety of methods for determining pupil competence.

The fourth recommendation was that any effective minimum competency program take into account individual difficulties of youngsters.

The fifth recommendation was that a series of regional meetings be held throughout Ohio during the late winter and early spring of 1978 to get citizen and education input on the basic issues that need to be resolved before a minimum competency program could be implemented.

H.R. 10521 could be a useful vehicle for focusing national attention on vital basic skills. The National Commission on Basic Education, as proposed, has the potential to assist schools and State education agencies in the development of realistic proficiency standards and the design of adequate, reliable and valid tests. Here are some concerns about the bill which I will briefly comment about.

First of all, to be effective the Commission should have adequate representation from practicing school administrators. We believe they should be included on that Commission.

Second, we are concerned urban areas which have large concentrations of minority youngsters, which have major financial resource problems should be addressed in the legislation in some special manner.

Third, with a few exceptions in Ohio and across the country, schools are caught in the throes of a financial crisis. Additional financial burdens which will reduce already short supplies of available resources will simply add to the problem of lower standards and declining achievement by forcing an already tight budget to be stripped further.

Hence, adequate financial resources should be made available in any grants for educational proficiency both for the development of proficiency plans and for their operation. The availability of resources to adequately prepare a proficiency plan will be fundamental to the success of any such plan.

In closing, I would like to make these comments. There are several questions that should be kept in mind. The first is that the testing program should be one important aspect of the school curriculum and it should not be designed to punish either student, teacher or school.

Second, great care needs to be taken to assure that these results are understood by the general public.

Third, minimums can easily, if one is not careful, become maximums. Great care must be taken to make sure that any minimums which are established, whether they be in a local community, at the State level or available from the Federal Government, not become the ceiling on which the expectations of all will be based. Educators are aware of the unique and individual differences between and among people. Minimum standards for student proficiency should and must reflect those unique differences.

Fourth, the strength of this country's educational system is due, in large part, to the local control which has been delegated to this Nation's more than 16,000 local boards of education. Those boards of education choose textbooks, hire teachers, build facilities, and are responsible for the important policy questions which must be reflected in a pluralistic society. Without great care, national minimums could be State and local minimums which could force local boards to alter the present curricular patterns which they have designed.

The remove the development of curriculum, selection of textbooks, the hiring of teachers from those locally elected officials would not only lead to destruction of our present educational system as we know it, but could be the first step toward the development of a national curriculum which would be neither wise or desirable.

The people of this Nation understandably are concerned about the quality of their schools, and rightfully so. As this Nation's schools have served more and more of the public and as the need to provide greater service expands, schools have, in recent years, become the focus of sharp criticism.

As educators, we need not be defensive. Not all educational policy or management decisions have been the right ones. To over react and move toward a national school system would not help address the credibility problem from which schools are suffering.

The provisions of H.R. 10521 could, however, if carefully managed and constructively directed, provide a forum for focusing national attention on how to improve an educational system which while not perfect is the best man has devised.

We appreciate your consideration of this legislation.

Chairman **Perkins**. Thank you very much for your testimony.

[Mr. Miller's full written statement follows:]

TESTIMONY OF JAMES W. MILLER, FEDERAL LEGISLATIVE LIAISON, OHIO DEPARTMENT OF EDUCATION

Continued declines in certain standardized test scores, increasing costs for elementary and secondary education, and a pervasive impression that the public has lost control over the educational process have combined with a variety of other factors in the past decade to generate an impression among a portion of the citizenry that a significant number of graduates of the public schools do not have the necessary basic learning skills to become contributing members of society. Actions by parents in California and New York, who have sued the public schools for alleged failure to provide their children, who have graduated, with adequate skills epitomize the current dilemma.

Focusing on what is wrong with our public schools in recent years has been the national media. NEWSWEEK had a feature article entitled "Why Johnny Can't Read;" ABC-TV, eighteen months ago, had an hour-long special entitled "The Failure of American Schools;" this past summer CBS-TV devoted a portion of its daily 6:30 news for one entire week to the deficiencies of American education, and this past fall TIME carried a feature story entitled

"High Schools in Trouble - Tale of Three Cities."

It is an over-simplification to suggest that the general public is concerned about what does and doesn't go on in our elementary and secondary schools and the quality of high school graduates. These concerns are paradoxical, however.

At the turn of the century, only three percent of our population graduated from high school. By mid-point of the century, the number of graduates had risen to 50 percent. Today, nearly 80 percent of the youngsters who start school graduate 12 years later.

With that increase in school holding power has come a decrease in our nation's illiteracy rate. In 1910, according to data from the U.S. Bureau of Census, 7.7 percent of the nation's population over 14 was illiterate; by 1930, 4.3 percent were in that category. Today, that figure is 1.0 percent which means that 99 percent of the population -- an unprecedented number -- is literate. Yet, test scores continue to decline and the public continues to believe that the schools are failing.

It would, of course, be simple to dismiss the citizens' concerns as imagined. But whether the concerns are real or imagined, something must be done to assure the public that their tax dollars are being efficiently and effectively spent and their children properly educated. There have been, in recent years, many bandwagons which have promised solutions to the school credibility problems. A half a dozen years ago "accountability" was a major theme across the country. Subsequently, innovative concepts such as Individually Guided Education and such traditional ideas as "Back to Basics" have caught hold. None, however, has completely solved the problem.

The elusiveness of a simple solution to a complex problem is not surprising. To restore credibility to the public schools, to assure each youngster an appropriate and adequate education, and to assure that each youngster who graduates is capable of employment or further education are worthwhile but difficult goals to accomplish. To meet these goals will require considerable time, energy, and resources.

As a major first step in accomplishing these goals in Ohio, on April 4, 1977, Superintendent of Public Instruction Franklin B. Walter appointed a Department-wide Task Force to "examine competency or performance-based systems presently being utilized in some school districts and other states for the purpose of making recommendations for actions in Ohio." The Task Force has been meeting regularly since that time and has been engaged in a comprehensive review of the literature and concluded a major survey of the practices.

The basic purposes of the survey were to determine what other states or school districts have done in terms of requirements for early entrance to school, provisions for promotion from grade to grade, graduation requirements, or provisions which would permit students to graduate before the completion of twelve years of school. In addition, the survey attempted to find out what methods have been used for measuring how well students meet expectations and what procedures have been used for intervening with students who do not meet the minimums.

Forty-eight of the other 49 states, plus the district of Columbia, replied. Of those responding, 38 were either planning or operating minimum competency programs. Of the 38, 27 were either planning or operating programs for graduation, 6 for early graduation, 11 for promotion, and 4 for early entrance. Twelve states indicated they were not actively engaged in any minimum competency effort,

While 38 states, plus the District of Columbia, indicated great interest in the areas of establishing minimum competencies, only 16 had some aspect of the program in operation. The highlights of that survey are:

-- States operating or planning minimum competency activities have been motivated primarily by the state department of education or state board of education, rather than by state legislative mandate.

-- States with minimum competency programs concentrate on establishing and measuring performance levels in the basic skills areas of reading and mathematics. The grade levels assessed vary considerably.

-- Minimum competency levels are set in most states at the state level by the state education agency through a consensus of teachers, administrators, board members, and citizens.

-- The most frequent approach to measurement of student performance is that of paper and pencil tests.

-- In most states, the instruments used to measure student performance are developed or purchased at the district level.

-- Development of such a program can be expected to take from two to five years.

-- The four major problems in implementing such programs are (1) lack of financial support; (2) difficulty of defining competency levels; (3) lack of measurement instruments; and (4) lack of sufficient time to implement the program.

It is apparent from the Task Force's reviews that a great deal of study is under way to determine what competencies students should have and how these competencies should be measured. However, few effective procedures for assuring that youngsters who do not measure up have opportunities for acquiring the necessary skills through an adjustment in their school experiences have been designed.

In addition to the survey, a symposium, which included presentations from the six states most actively involved in the minimum competency effort, was held. The results of that symposium and the earlier survey helped form the framework for the task force recommendations.

The first was that any minimum competency program be not simply a testing system intended to sort youngsters, but focus on adjusting the curriculum for those youngsters who have difficulty meeting expected minimums. The second recommendation was that any state minimum competency program include a maximum amount of local control. The state departments of education should provide technical assistance. The third recommendation that was any minimum competency program provide for a variety of methods for determining pupil competence.

In other words, a single test given on a single day may not be the most effective way to measure competency. The fourth recommendation was that any effective minimum competency program take into account individual differences of youngsters. The fifth recommendation was that a series of regional meetings be held throughout Ohio during the late winter and early spring of 1978 to get citizen and education input on the basic issues that need to be resolved before a minimum competency program could be implemented. Those basic questions are:

1. What should students be able to do; that is, what competency should they exhibit?
2. How well should students be able to perform; that is, what is an acceptable passing score?
3. How do we know that students can do; in other words, how will we measure the competencies?
4. When and how often should competencies be measured?
5. What will be done for students who do not meet standards?
6. What will the impact of a minimum competency program on students be?
7. What will the impact on the school community be?
8. Who should be responsible?

Subsequent to the appointment of the Department Task Force, the Ohio General Assembly, through the enactment of S.B. 221, required the Ohio Assessment and Annual Report Advisory Committee -- a committee mandated by state legislation -- to make recommendations to the State Board of Education for a minimum competency program for promotion to grades five and nine and for graduation.

At this time, five ~~the~~ of the 13 forums have been held. Comments and suggestions have varied, however, there is some apparent consensus on several issues. The first is that any minimum competency program should provide for a maximum amount of local control. The second is that financial support to design and implement ways of helping students who do not measure up to the competency must be provided. Third, a statewide curriculum would not be appropriate. And fourth, the focus of schools should not become so narrow that important enrichment and social activities are eliminated.

As we move forward in Ohio to establish a minimum competency program, consistent with state legislative mandates and sound professional judgment, considerable time and energy will be required. The difficulty of finding a solution to complex learning problems is real indeed.

Ohio is not alone in looking for solutions to critical learning problems. States across the nation have sought, and are continuing to seek, effective ways of assuring that high school graduates do, indeed, have necessary skills for employment or further education.

H.R. 10521 could be a useful vehicle for focusing national attention on vital basic skills. The National Commission on Basic Education, as proposed, has the potential to assist schools and state education agencies in the development of realistic proficiency standards and the design of adequate, reliable and valid tests. Several concerns should be noted, however.

First, to be effective the Commission should have adequate representation from practicing school administrators. Teachers, the general public and representatives of higher education, as suggested for the Commission, will, of course, bring valuable and important perspectives to the significant issues which the Commission must address in the development of proficiency standards and tests. In addition to these important positions, the insights and reflections of practicing school administrators--persons with a unique position in American education--should also be represented.

Second, recognizing the unique problems associated with education for this nation's disadvantaged and in our country's urban centers, great care should be taken to provide states which have large concentrations of minority youngsters and which have major urban areas with the financial resources needed to address adequately the important competency issues. Perhaps a state allocation based on population with a weighted factor for the number of students in the large cities or a weighted factor which takes into account the incidence of poverty in the community could be included in any allocation pattern. The formula presently used for Title I of ESEA could serve as a pattern.

Third, with few exceptions in Ohio and across the country, schools are caught in the throes of financial crisis. Additional financial burdens which will reduce already short supplies of available resources will simply add to the problem of lower standards and declining achievement by forcing an already tight budget to be stretched further. Hence, adequate financial resources should be made available in any grants for educational proficiency both for the development of proficiency plans and for their operation. The availability of resources to adequately prepare a proficiency plan will be fundamental to the success of any such plan.

In addition to these concerns, several caveats should be kept in mind.

First is that the testing program should be one important aspect of the school curriculum and it should not be designed to punish either student, teacher or school. The test should serve as a thermometer indicating simply that a fever or ailment exists. The design of a remedy or solution to the ailment must come from competent professional administrators and classroom teachers.

Second, great care needs to be taken to assure that test results are understood by the general public. In recent years, a great mystic has developed around tests. As scores are released and used for proficiency purposes, we must keep in mind that the traditional norm reference test will have 50 percent of all students below average. We simply cannot get 90 percent of the students in the top 10 percent any more than all football teams can win more than half their games. With these traditional tests, there will be winners and losers. We must take great care to use realistic standards of expectations and tests which measure how well the standards are met not norm referenced tests which tell whether Johnny performs better or worse than Jane.

Third, minimums can easily, if one is not careful, become maximums. Great care must be taken to make sure that any minimums which are established, whether they be in a local community, at the state level or available from the federal government, not become the ceiling on which the expectations of all will be based. Educators are aware of the unique and individual differences between and among people. Minimum standards for student proficiency should, and must reflect those unique differences.

Fourth, the strength of this country's educational system is due, in large part, to the local control which has been delegated to this nation's more than 16,000 local boards of education. Those boards of education choose textbooks, hire teachers, build facilities and are responsible for the important policy questions which must be reflected in a pluralistic society. Without great care, national minimums could be state and local minimums which could force local boards to alter the present curricular patterns which they have designed. To remove the development of curriculum, selection of textbooks, the hiring of teachers from those locally elected officials would not only lead to destruction of our present educational system as we know it, but could be the first step toward the development of a national curriculum which would be neither wise or desirable.

The people of this nation understandably are concerned about the quality of their schools. As this nation's schools have served more and more of the public and as the need to provide greater service expands, schools have, in recent years, become the focus of sharp criticism. As educators, we need not be defensive. Not all educational policy or management decisions have been the right ones. To over react and move toward a national school system would not help address the credibility problem from which schools are suffering. The provisions of H.B. 10521 could, however, if carefully managed and constructively directed, provide a forum for focusing national attention on how to improve an educational system which while not perfect is the best man has devised.

Chairman PERKINS. Our next witness is Mr. Norman Chachkin, of the Ad Hoc Coalition on Title I.

STATEMENT OF NORMAN CHACHKIN ON BEHALF OF THE AD HOC COALITION ON TITLE I, ACCOMPANIED BY JACQUELYNE WILLIAMS, FIELD ASSOCIATE WITH THE AMERICAN FRIENDS SERVICE COMMITTEE, COLUMBIA, S.C.

Mr. CHACHKIN. I am Norman Chachkin, staff attorney with the Lawyers' Committee for Civil Rights Under Law and counsel to the committee's Federal education project. With me is Jacquelyne Williams, of Columbia, S.C., who is a field associate with the American Friends Service Committee and a title I parent in the Richland County, S.C. public school system.

We appear here today on behalf of a number of organizations which form the Ad Hoc Coalition on Title I and a partial list has been submitted with the testimony.

Mr. Chairman, I know that time is very brief. I would like to summarize what subjects are covered in the written testimony which we have submitted, the testimony that I was prepared to give today and respond to one or two remarks dealing with testing as the basis for allocating Title I funds and targeting schools for receiving services under the program.

That has engendered quite a bit of suspicion in the hearings held by the committee in past years on the reauthorization. It could be said that the title I factor is obsolete and I believe it is not inaccurate to say what has been suggested is that the formula and targeting requirements make school districts provide services to schools which do not need them and prevent title I funds from going to students who, in fact, do need remedial services.

Mr. Quie has cited an unpublished study in support of the suggestion he makes in H.R. 7571 to appropriate allocations of funds and targeting of funds according to test scores.

Mr. Chairman, the coalition, on whose behalf I appear today, strongly opposes this suggestion and as my written testimony attempts to reveal in great detail, we do not believe that the Decima study provides any support for the proposal made by Mr. Quie.

First of all, with limited title I fund appropriations, they have never approached the authorization level. No school system can serve all of the educationally deprived children and all of the eligible schools.

Beyond that, it is a local system's prerogative to determine the level of education needs which would qualify a child for admission into the program. Therefore, if the pattern that Decima finds are in fact appearing across the nation with the large number of so-called regular achievers; that is, students that are not a minimum of one year behind in combined reading and mathematics scores on studies tests that may be occurring because local school districts are not setting the pro cutoff for admission into the program, but H.R. 7571 does not restrict this discretion in any way.

Indeed, it expands it by permitting services to any school which has three percent low-achieving students. There is no requirement of ranking schools and providing services on a priority basis for those students on the greatest need. This is the current title I statute and regulation requirement and we support the retention of the poverty factor in the formula and for targeting.

Mr. Chairman, I also wanted to discuss the funds for the child which has been mentioned by several witnesses this afternoon, principally the former school board chairman of the Wichita School District, and the current superintendent of the Bayonne, N.J., public schools, in the written statement from the Dade County School Board and testimony from Detroit superintendent, Jefferson, earlier this year.

Everyone agreed that the question of the funds following the child was adequate funding given the limited appropriations for title I over the past 12 years. The question is whether students, as a matter of priority, should receive funds.

The statute and regulation establish a priority for schools which are most heavily impacted by poverty and which have a substantial concentration of low-achieving students. Until the title I program is fully funded, we believe, as we detailed in the testimony and as we have provided comments to the committee in writing, that following the child with limited amount of title I funds now available would result in undesirable dilution of the program and would not benefit anyone.

Rather, we support continuation and expansion of ESSA set aside, which is enacted in the 1976 Education Amendments and I would point out to the superintendent of the Bayonne school system, this money, so long as there are appropriations from the Congress, will be available, year after year, for students who are, in fact, reassigned from eligibility from title I areas to areas which are ineligible.

However, let me point out with respect to the testimony of the School Board of Wichita, we are now 7 years after the initial operation of the desegregation plan in the Wichita school system. Attendance areas have been changed in accordance with the desegregation plan, and I submit it makes little sense at this stage to talk about first and second graders being reassigned from eligible attendance areas which never existed during their lifetime and certainly during the time period when they first began to attend the public schools.

We believe the continuation of existing ESAA set-aside is vitally important and is the solution to this problem.

Before I ask Ms. Williams to speak about parent involvement, let me call attention to the subcommittee one provision of the administration's ESAA legislation which I believe has very serious ramifications for title I enforcement, section 504 of the administration's bill, which would give the Commissioner of Education authority to waive repayment of audit exemptions.

We strongly oppose this process. It would remove from the law the effective sanction for misuse of program funds. Millions of dollars, which have been misspent in the past and which could be used now to help educationally needed pupils, could be lost if the provision is made retroactive.

We hope the subcommittee and committee will see fit to remove this language from the legislation.

Thank you very much.

[Mr. Chachkin's full written statement follows:]

Statement of the

AD HOC COALITION ON TITLE I

Before the House Subcommittee on Elementary, Secondary and Vocational Education

March 6, 1978

I am Norman Chachkin, Staff Attorney with the Lawyers' Committee for Civil Rights Under Law and Counsel to the Committee's Federal Education Project; with me is Jacquelyne Williams, of Columbia, South Carolina, who is a Field Associate with the American Friends Service Committee and a Title I parent in the Richland County, South Carolina Public School System. We are appearing today on behalf of a number of organizations which have joined together to form an Ad Hoc Coalition on Title I, out of common concern about reauthorization of the Elementary and Secondary Education Act of 1965, and particularly Title I. We appreciate the Subcommittee's busy schedule and are grateful for the opportunity to appear today.

The organizations which form the Ad Hoc Coalition on Title I have had extensive experience with the program at the local, state and federal levels. From this experience the Coalition has drafted and adoped a set of basic principles which we believe should guide the reauthorization effort. These principles have previously been sent to the Members of the Subcommittee and they appear at the end of our prepared statement. I want to note for the record the names of the organizations in the Coalition, many of which have large constituencies and local affiliates across the nation, which have endorsed these principles:

(List of Endorsees is attached)

My testimony is addressed to the first of the Coalition's principles, although I shall touch upon others including enforcement and the ESAA set aside for children reassigned to non Title I schools under school desegregation plans. The first principle I will speak to is:

> Title I funds should continue to be allocated to states and school districts, and targeted on schools within districts, on the basis of a poverty measure, rather than on the basis of test scores or other "measures of educational disadvantage."

We believe that the current funds distribution and targeting mechanisms of the Title I program, based on concentrations of students from poor families, are basically sound and should not be altered in this reauthorization. Moreover, we think that the proposed alternative to the present Title I structure--use of achievement test scores to determine which districts, schools, and pupils are eligible for Title I remedial services--has many harmful features which counsel strongly against its adoption. My testimony will focus upon both of these topics. I shall also discuss the research evidence which is available concerning the efficiency of the current Title I framework since pieces of research have previously been referred to before the Subcommittee by those seeking to change that framework. Finally let me make clear that in an effort to be most helpful to the Members and their staffs, I shall try to discuss these matters not in the abstract, but in the context of the major bill so far introduced which would radically alter the Title I program: H.R. 7571, introduced by Representative Quie. (I can also speak to the major provisions of the Domenici-Bellmon bill affecting Title I, if there are any questions about that bill.)

How the Title I program operates

It may be helpful to start with a very brief summary of how the funding and targeting mechanisms of Title I are now designed, so that we know what we are comparing proposals for change against. The money which the Congress appropriates for programs "to mee[t] the special educational needs of educationally deprived children"[1] finances both state-wide programs for handicapped, neglected and delinquent, and migrant children, as well as local-school-district-operated programs for their students. Any school district with at least ten enrolled children from families whose income is below the poverty level[2] is eligible to receive funds.[3] It submits an application for this purpose to its respective state education agency, outlining what it intends to do with the money "to mee[t] the special educational needs

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1/ 20 U.S.C. §241a.

2/ If census figures for the school district are not available because its boundaries do not coincide with political subdivisions or enumeration districts, then a district is eligible so long as the county in which it is located has ten children from poverty families. 20 U.S.C. §241c(b)(2). The definition of "poverty" utilizes the Census Bureau's Orshansky index, which makes adjustments for family size and other characteristics; the formula calls for counting all children from families with incomes below the appropriate Orshansky levels plus two-thirds of the number of children from families receiving AFDC payments whose income is above the Orshansky level for a non-farm family of four. 20 U.S.C. §241c(c)(2).

3/ 20 U.S.C. §241c(b)(1).

of [its] educationally deprived children."[4/]

How much money each district gets depends on two things: first, how much money the Congress appropriates, and second, the application of a statutory formula. Subject to some technical provisions (a floor and a ceiling on per-pupil expenditures, etc.) described in a footnote,[5/] a school district's share of the Title I appropriation depends on its relative share of children from low-income families, compared to the nation as a whole, and the relative costs of providing educational services in the state where that district is located, again compared to the nation as a whole. In other words, the current formula tends to direct more money to school districts with large numbers of poor children, and to districts where it costs more to educate children.[6/]

Within a school district, Title I funds may be used in attendance areas having high concentrations of children from low-income families, or in schools having such concentrations among their enrolees,[7/] so long as there

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[4/] 20 U.S.C. §241e.

[5/] The funds subject to formula allocation are those remaining from the total appropriation after sums for state-wide programs, and for the Territories, are deducted "off the top." 20 U.S.C. §241h. A district's "entitlement" is its number of "poor" children (see note 2 supra) multiplied by 40% of the average per-pupil expenditure (from state and local funds) in the state. 20 U.S.C. §241c(a)(2). There are two important exceptions to this formula: first, there is a floor (80% of the nationwide per-pupil expenditure from state and local funds) and ceiling (120% of the national average) on that factor, id.; second, a hold-harmless clause guarantees each district no less than 85% of its previous year's allocation, 20 U.S.C. §241h. "Entitlements" are ratably reduced so that their total does not exceed a given year's appropriation. Id.

[6/] As mentioned in the previous note, school districts are protected against drastic shifts in available funds by the "hold harmless" provision which guarantees them 85% of the previous year's allocation, 20 U.S.C. §241h. In addition, the allocation formula, which depends upon the most recent Bureau of the Census data, will become more timely in the future since censuses will be conducted every five years.

[7/] 20 U.S.C. §241e(a)(1)(A). The original statutory reference [cont'd next page] is an educational need for the programs among the children residing in these areas or attending these schools.

The existing statute and regulations together form a rational and appropriate structure to maximize the effectiveness of a federal program for which the level of appropriations has never matched the authorization.[8/] They define eligible attendance areas or schools as those having a number or percentage of children from poor families which equals or exceeds the district-wide percentage or average number.[9/] They require that these areas or schools be ranked, from "most poor" to "least poor" and that Title I programs be placed at schools in that order unless—and this is a critical provision for the present discussion—a school has less educational need for the program than one ranked below it.[10/] Like the allocation formula, then, the current Title I framework tends to direct the expenditure of funds within school districts at schools and attendance areas with large numbers of poor children.

7/ [continued] was to "attendance areas" because the law requires that local districts serve "educationally deprived" children who live in eligible areas but attend non-public schools. The limited exception added in 1974 authorizes programs at schools where the students in attendance meet the eligibility standard but not the residents of the school's attendance area. It allows a district to serve a school located in an attendance area whose middle- and upper-class residents send their children to private schools. The statute also extends an attendance area's eligibility for two years beyond the last year in which it qualified by actual "count." 20 U.S.C. §241e(a)(13).

[8/] That is, existing law and regulations set priorities to be followed if all potentially eligible children cannot be served because of limited funding. The "authorization level" of Title I fluctuates, depending on the total number of children from poor families "counted" and the national per-pupil expenditure (see note 5 supra). Since 1965 the appropriation has never been more than about 50% of this authorization level.

[9/] 45 C.F.R. §116a.20(b).

[10/] 45 C.F.R. §116a.20(c).

At the school level, the regulations forbid individual student selection based on family income.[11] They tell school districts to develop a measure of educational deprivation for the purpose of determining which students will be enrolled in the programs.[12] If an attendance area qualifies, then any child living in that attendance area whom the school system determines is "educationally deprived" can get Title I services, whether or not the individual child comes from a low-income family.[13] We support this provision of the law unequivocally.

As it currently stands, Title I provides enormous flexibility to local school districts in their administration of the program. I won't go into the details, but there are a total of seven different ways in which a school or attendance area can qualify for Title I programs.[14] Local school systems, not the U.S. Office of Education, decide how to determine which children in the district are "educationally deprived" and hence eligible to receive Title I-funded services.[15] The law and regulations require that schools serving "poor areas" have a preference in getting Title I programs, but children who need remedial services but live outside eligible areas can be included in Title I projects so long as their presence doesn't dilute the value of the program for those living in target areas.[16]

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[11] 45 C.F.R. §116a.21(c).

[12] 45 C.F.R. §116a.21(c), (d), (e).

[13] The only restriction is that the same definition of "educational deprivation" be used throughout all eligible attendance areas and schools in a district. 45 C.F.R. §116a.21(c). This gives similarly situated children residing in different eligible areas of a district an equal chance to receive services so long as adequate funds are available.

[14] 45 C.F.R. §116a.20.

[15] 45 C.F.R. §116a.21(c), (d), (e).

Good reasons for Title I's poverty focus

The groups on whose behalf I appear strongly support retention of the poverty focus in the Title I program. We believe that the Congress made the right choice in 1965 when it established the Title I program, the decision to focus on the educational problems of schools and school systems in which there are large numbers of children from low-income families. Special solicitude for the less fortunate is a traditional, and worthy, purpose of federal programs. Particularly in the context of the decade-old Title I program, it is a limited and attainable goal which need not, and does not, involve federal assumption of responsibility for all the nation's educational needs, or federal regulation and prescription of school curriculums, budgets and testing regimens. We fear that to change the poverty focus of the program will result only in shifting funds and services away from the needy in our society, who have little political representation to protect them, and toward those who are more organized, more affluent, and better able to exert pressure.

Moreover, there are sound empirical reasons for tying the use of Title I funds to a poverty measure. The most recent study examining the relationship between poverty and educational achievement, done by Decima

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[16] 45 C.F.R. §116a.22(b)(9).

Research and described in earlier testimony before the Subcommittee,[17] shows that a poor child is twice as likely as a non-poor child to be at least one year below grade level in combined reading and mathematics testing.[18] (I will return to the Decima study later in my remarks, since it has been cited by Mr. Quie as a principal justification for his suggested changes in Title I. And there are technical problems with the study's method even of coming up with the conclusion it draws about a poor child's chances of being a low achiever, which suggest that the figure it reports is an under-estimate.[19] But taking it at face value, this conclusion strongly supports the decision to attempt to help particularly those children who seem destined to be low

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17/ See "Congressional Testimony from Technical Report #2 of the Study of the Sustaining Effects of Compensatory Education on Basic Skills," prepared for House Subcommittee on Education by Decima Research, October 26, 1977. Testimony was given by Mr. Vincent Breglio of Decima on October 26, 1977.

18/ Id. at 18; "The Economic and Educational Criteria for Compensatory Education Selection," draft of Technical Report #2 from the Study of the Sustaining Effects of Compensatory Education on Basic Skills, prepared for Office of Planning, Budgeting, and Evaluation, U.S. Office of Education, by Decima Research, November 1977, at 56 [hereafter cited as "Decima draft"].

19/ The calculations are based upon extrapolations from a nationwide sample of children in grades 2-6. They compare the number of children scoring more than a year behind "grade level" on combined reading and mathematics tests with the number of children from families whose incomes are below the relevant Orshansky poverty level (see note 2 supra). They do not count as "poor," children from families receiving AFDC payments if the payments are greater than the Orshansky level—although 2/3 of the number of such children are counted in the distribution-of-funds formula for Title I because these are undeniably children from poverty backgrounds. Inclusion of these children would have increased the likelihood that "low achievers" were poor. In addition, difficulty in either reading or mathematics, two basic elementary school subjects, is usually sufficient to qualify a child for remedial assistance. The fact that Decima used only a combined score also reduced the number of poor children who were reported as "low achievers."

achievers if they are not given assistance. As President Johnson said in his education message proposing an ESEA, "[t]his bill represents a national determination that . . . [p]overty will no longer be a bar to learning, and learning shall offer an escape from poverty."[20] The Senate Report on the bill commented that "[u]nder title I of this legislation the schools will become a vital factor in breaking the poverty cycle by providing full educational opportunity to every child regardless of economic background." We urge the Subcommittee and the Congress not to turn from these worthy purposes.

Among the groups which have endorsed continuation of the poverty measure in Title I are many which have struggled over the last decade to make the program a success, to make it work more effectively. We are those who were bitterly disappointed and critical of the first years of implementation,[21] those who supported strengthened administrative requirements in 1970[22] and 1974.[23] We are those who are gratified at research results in the last several years which indicate that, at last, the program is beginning to make a difference in the lives and life chances of thousands of American children from poor families.[24]

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[20] 1965 U.S. CODE CONG. & ADM. NEWS 1449.

[21] See TITLE I, ESEA: IS IT HELPING POOR CHILDREN (1969).

[22] E.g., the comparability and non-supplanting requirements added by P. L. 91-230.

[23] E.g., the parent advisory council requirements added by P. L. 93-380.

[24] See, e.g., Thomas & Pelavin, "Patterns in ESEA Title I Learning Achievement" (Stanford Research Institute, 1976); Trisman, Waller & Wilder, "A Descriptive and Analytic Study of Compensatory Reading Programs" (Educational Testing Service, 1976); National Institute of Education, "The Effects of Services on Student Development" (1977).

We believe it would be a grave mistake for the Congress, at this critical juncture in the program, just when it is beginning to show results and when the state and local officials who must implement it have accepted its goals and learned to make it work, for Congress to suddenly shift the entire focus of the program and change the administrative machinery. Not only poor children, but all children would be hurt as state and local school systems go through the slow and possibly chaotic process of dismantling the program and reinstituting it with a whole new set of criteria for determining project sites.25/

Finally, let me add that the special problems faced by low-achieving pupils from low-income families are readily apparent and understandable. Many of these are families in which both parents, if present, work out of necessity rather than choice. Many are families in which both parents are not present to afford encouragement and reinforcement to children in their schoolwork. They are families in which the economic demands of life's bare necessities may prevent youngsters from getting the kind of cultural and educational stimulation in their early years which are a commonplace for children of middle-class backgrounds: daily newspapers, books, magazines, records, trips to zoos and museums, and so forth. These are the realities which have made Head Start and Follow Through programs an important part of the economic opportunity legislation. They are the realities which cry out for retention of Title I's special focus on those children who attend schools where most of the enrollment is from low-income families.

25/ For example, it will be several years, at a minimum, before a new program could be working smoothly. Much of Mr. Quie's proposal depends upon the issuance of comprehensive regulations by the Commissioner of Education. But the Office of Education's record of complying with legislative deadlines for regulation writing, under any administration, is not a good one.

No need to alter existing Title I program

We believe that the current Title I structure is working well and that there is no need to alter it. The allocation formula distributes funds among and within States based on an objective measure of need which is, as shown by the preceding discussion, closely related to educational performance. According to the Educational Testing Service's report on compensatory reading programs, Title I-funded services go to those children in recipient districts who are educationally most needy.[26/]

The same conclusion has been drawn by the Decima researchers:

> Overall, it appears that the selection of students for compensatory education, particularly Title I education, is highly sensitive to student achievement. While there are a large number of people classified as regular achievers who do receive selection for Title I programs, many of these students border on low achievement and their scores fall just above the [one-year-behind-grade-level] cutoff point.[27/]

Although I believe that other judgments contained in Decima's report about what its researchers consider to be failings of the current Title I funding formula are erroneous, and result from a flawed understanding of how the

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26/ Trisman, Waller & Wilder, "A Descriptive and Analytic Study of Compensatory Reading Programs," Final Report, Vol. I, pp. 96-106 (Educational Testing Service, December, 1975); Trisman & Waller, "A Descriptive and Analytic Study of Compensatory Reading Programs," Addendum II to the Final Report, Vol. I, pp. 14-21 (Educational Testing Service, May, 1976); see also, National Institute of Education, "The Effects of Services on Student Development," p. 20 (1977).

27/ Decima draft, p. 42. Similar sentiments were voiced in Decima's prepared testimony: "Title I funds have been more effective than other sources of C[ompensatory] E[ducation] funds in discriminating between target and non-target students. That is, Title I funds go to more poor and/or low achieving students than non Title I funds which seem to be spread across target and non-target students alike." "Congressional Testimony from Technical Report #2 of the Study of the Sustaining Effects of Compensatory Education on Basic Skills," at p. 22.

program operates which I shall describe, the conclusions I have just quoted are sound. Indeed, since they come from a report which claims that Title I funds are not getting to enough children who are behind in school, or to enough children who are also from low-income families,[28] they are entitled to great credibility.

What, then, of the claimed justification for making a basic change in the way Title I funds are distributed? Whatever may have been the case in the past, the proposal to use scores on a national test for this purpose is now sought to be rationalized as an effort to insure that those pupils who most need the extra assistance provided by Title I do in fact get it. Although ETS, NIE, and others who have looked at the record have concluded that this is exactly what happens under the present Title I structure, the recent Decima study—not yet even released to the public—is advanced as demonstrating flaws inherent in the existing formula.[29]

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[28] As I describe later, I do not disagree with the finding that not all of Title I's potential beneficiaries are now, or were in any year since ESEA's enactment in 1965, receiving services. Unlike the Decima researchers, however, I do not think this is because the current Title I formula channels money away from areas of need. Rather, the major reason why many children in this country who could benefit from Title I services are not getting them is because the appropriation level has been so low. This presents school districts which receive ratably reduced funding with only two alternatives: do not serve all potentially eligible Title I pupils, or do not provide for any pupil a program which is comprehensive enough to do her or him any good. Unfortunately, Decima's research fails to indicate whether the unserved low-achieving pupils it identified would be participating if Title I were funded up to its authorization.

[29] On October 18, 1977, at a hearing before the House Elementary, Secondary and Vocational Education Subcommittee, Rep. Quie claimed that the Decima study shows that Title I participants are predominantly non-poor and non-low-achieving. He suggested that the existing Title I funds allocation and school targeting procedures are inadequate, and that in their place, Congress should adopt his suggestion that Title I funds be distributed among and within school districts on the basis of achievement test scores. Education Daily, October 19, 1977, p. 5.

It is true that the authors of the Decima study seem to believe that the formula is inadequate to serve the goals of the Title I program. However, based upon my reading of a November, 1977 draft of the entire Decima report, I believe that Decima (a) misunderstands the statutory purposes of the program, (b) draws erroneous conclusions about the causes of the statistical patterns of participation in the program among and within the districts and schools sampled, and (c) misinterprets the meaning of the statistics which it reports. I shall discuss, therefore, the Decima report and its recommendations first, and then the numerous and serious difficulties which would attend the adoption by the Congress of H.R. 7571, whatever the imperfections of the current Title I funding mechanism.

The Decima study[30]

The purpose of the research conducted by Decima was to identify the characteristics (achievement levels, family background and income, etc.) of students who actually participated in Title I programs during the 1976-77 school year.[31] Decima obtained lists of students participating in Title I during the Fall, 1976 semester from school districts for a total of 242 elementary schools "randomly selected to constitute a representative cross section of elementary schools stratified by geographic region, size of LEA and poverty status of LEA[, with s]chools from high poverty LEAs . . . over sampled."[32/] Scores on the Comprehensive Test of Basic Skills (CTBS) (administered to all students in the 242 schools) were tabulated and reported as both grade equivalents and percentiles. From the total enrollment of the 242 schools, "a systematic random sample of 15,816 students was chosen"[33/] for 45-minute interviews with Decima staff, designed to determine family economic status. Of this number, 14,159 families were actually contacted. The study consists of comparisons between the numbers of Title I and non-Title I students at various CTBS score levels, and at various family income levels, all as determined for the purposes of the research. The precise significance of the comparisons is a matter of interpretation.

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[30] Decima is a subcontractor of Systems Development Corporation (SDC), which OE has selected to do research on the "sustaining effects" of federally funded compensatory education programs. Decima made a one-time, cross-sectional study of compensatory education participants in a nationally representative sample of elementary schools.

[31] Thus, the study was not designed to analyze the causes of the patterns of participation in Title I programs; merely to document them. Unfortunately, the language of the report does not always respect this distinction. In numerous instances, the authors speculate about reasons for the participation or non-participation of certain kinds of children in Title I programs, without having any basis in the data which they collected to engage in such speculation. Most often, the authors conclude that the Title I funding formula is inadequate without examining alternative explanations for the statistical patterns which they report. Therefore, statements in the report to the effect that the formula "shortchanges" some districts or "discriminates against" others should be carefully scrutinized, at the least.

[32/] "Congressional Testimony from Technical Report #2 of the Study of the Sustaining Effects of Compensatory Education on Basic Skills," at p. 4.

[33/] Id.

Two statistical findings[34] from Decima's study are most relevant to the present inquiry. First, Decima states that in its sample of students in grades 2-6, of those whom it defined as "low achieving," 38% were from families it defined as "poor" and 62% were from families it defined as "non-poor." A higher proportion of those students whom it defined as "poor" (42%) than of those it called "non-poor" (18%) were low-achieving.[35] The implication is that poverty and low educational attainment are not closely linked, and that the efficacy of the Title I program is limited because the funding formula incorporates a poverty measure. But these conclusions do not follow from the data. For one thing, the fact that there is a larger *number* of low-achieving students from "non-poor" than from "poor" families is not surprising. The poor are, by definition, a minority of all our citizens and families. Decima estimates that only 21% of the total school population in grades 1-6 is "poor."[36] For another thing, Decima's study was bound by §417 of the statute to use, as its definition of "low achiever," test scores at least one year below "grade level" performance. But the statute allows school systems to serve students less than one year behind.[37] To the extent, therefore, that many students from low-income families are below grade level but less than a year below grade level, the disparity between "poor" and "non-poor" low achievers may be somewhat less than reported.[38] As Decima itself says,

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[34] These "findings" are based upon extrapolations from the data gathered on a sample basis. The sample was, as indicated in text, designed to be nationally representative of all Title I participating districts and schools. To the extent that the sample is not truly representative, any conclusions drawn from it, or based upon extrapolation from it, are erroneous. I have been unable to determine the accuracy of Decima's sample; I wrote to Decima seeking a copy of the report describing the sampling technique but was told on December 8, 1977 that it was "being reprinted." Apparently it is not yet available.

[35] These figures are a far cry from those which *Education Daily* reported were given by Rep. Quie before this Subcommittee on *October 18, 1977*. According to that publication, Mr. Quie said that "Decima finds 33.1 percent of the poor and 66.9 percent of the non-poor are low achievers, using 1976 poverty information." *Education Daily*, October 19, 1977, p. 5. (If these statistics were correct they would revolutionize education in this country overnight. They would indicate that middle- and upper-class children were twice as likely to be low achievers as poor children, and we would under those circumstances not quarrel with a proposed change in emphasis in federal education programs. Of course, the exact opposite is true, and was reported by Decima. *See* notes 17-19 *supra* and accompanying text.) The following day, a correction notice in *Education Daily* said that Mr. "Quie was referring to children in *Title I* programs" (emphasis in original). However, we have been unable to find, in *either* the prepared testimony or in the draft report, any figures which correspond to these numbers, either for Title I participants or for other students.

> [M]any of these [Title I] students border on low achievement and their scores fall just above the cutoff point.[39]

Furthermore, as I have previously discussed,[40] use of the poverty measure to target schools within individual districts does not bar *any* low-achieving child, regardless of family income, from receiving Title I services. So long as Title I funds are sufficient to serve all low-achieving pupils, regardless of family income, residing in eligible attendance areas, then other pupils may participate in the programs, also regardless of family income. The fact that this available option is infrequently exercised is, as I have said, due to the level of Title I appropriations—and not to the poverty-based targeting of Title I.[41]

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[36] Decima "Congressional Testimony . . .", at p. 9. The more significant figures are those reflecting the proportions of the "poor" and "non-poor" school populations which do not do well in school. These figures—establishing that "poor" children are twice as likely to be low achievers as other children (*see* text at notes 17-19 *supra*)—confirm the usefulness of the poverty measure as a means of directing the flow of funds to areas of greatest need.

[37] *See* note 19 *supra*.

[38] The use of a combined reading-mathematics score also could exaggerate the reported disparity. *See* note 19 *supra*.

[39] Decima draft, p. 42.

[40] *See* text at notes 11-16 *supra*.

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[41] Assuming that Title I were fully funded, there might still be said to be some marginal effect of allocating funds to States and school districts based upon the poverty measure rather than upon test scores. That is, to the extent that the correlation between poverty and achievement, aggregated at the school district and statewide levels, is not perfect, in a few cases some districts will not get precisely enough money to address all their problems while other districts will have "extra" funds. (When the actual appropriation is significantly less than the authorization, as has been the case since the inception of Title I, this problem is only theoretical and of no practical import since many children in every district who could benefit from services do not get them.) This does not appear to be a problem of much consequence. The correlation at the State level is strong. National Institute of Education, "The Relationship Between Poverty and Achievement" (1978), pp. III, 21-22. It is not as strong at the district level, and varies from State to State, id. at II, 16-17. But I do not believe that the consequences (again, assuming full funding of Title I) are of a scope or nature which warrants the shift proposed by H. R. 7571, for several reasons: First, even at full funding, Title I grants may not be large enough to support full remedial programs for all potentially eligible students. They provide 40% of an average per-pupil expenditure per counted student for extra services (see note 5 supra) but the U. S. Office of Education has recommended that the minimum Title I expenditure be at least 50% of the local per-pupil outlay. Title I Program Guide #44, §4. 7 (1968); see Nicholson v. Pittenger, 364 F. Supp. 669, 675 (E. D. Pa. 1973). Second, NIE's conclusion is based on data from selected States only, "The Relationship Between Poverty and Achievement," p. 16, and may not be typical of the nation as a whole. In the absence of a nationally prescribed achievement test like that apparently called for in H. R. 7571, nationwide data of this sort are simply not available. Third, NIE's conclusion is that, at the district level, the percentage of poor students in a district and the percentage of low-achieving students are not strongly associated. But Title I funds are distributed based on numbers of "poor" children, not percentages. NIE's statistic may underestimate the relationship because large school districts, in which there may be large numbers (but not so large percentages) of "poor" children, and even larger numbers of low achievers, are underrepresented in the statistical calculation because their sheer size reduces their percentage of "poor" even more sharply than their percentage of low achievers.

It is fair to ask, then, whether Decima's reported findings about the numbers of "poor" and "non-poor" Title I participants tell us anything of significance. They do indicate, assuming relatively substantial residential separation of low-income from other residential areas, that the Title I program is working, not failing. Many educationally needy children are receiving services, whatever their family income levels. Nothing in the Decima study remotely suggests that the pattern of services to individual children would be substantially different if the poverty factor were removed from the distribution formula.[42/]

The other part of the Decima study which has excited attention is its estimate that in grades 2-6, 1.2 million students are "low achievers" and 1.3 million pupils are "regular achievers."[43/] Here the implication sought

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[42/] Indeed, Decima's first report does not address this issue at all. It does show how altered definitions of poverty and/or altered definitions of "low achievement" would affect the pool of children potentially eligible for Title I services under the current formula. Decima draft, pp. 123-46. But Decima does not, and cannot, predict what the patterns of participation in Title I programs might be if these various changes were made but the level of appropriations (as compared to the authorization) remained the same, or was increased or decreased. That is because the patterns of participation reported in the study are the result of much more than simply application of Title I's funds allocation formula. They are the product of the finite funds available (which limit the number of schools and students who can be served), the recipient school districts' decision about how many eligible schools to serve (or target), and the districts' decision about which students in target schools to serve (the determination of which needs, and which levels of need—e.g., lowest 20%, 10%, etc.—to attempt to meet through Title I services). Hence, the patterns of participation are far more deeply affected by the amount of Congressional appropriations, or the cutoff score for student selection into the program, than by the inclusion of the poverty measure in the allocation formula and targeting requirements.

[43/] Decima "Congressional Testimony . . .", at Appendix, Table 6; see Decima draft, pp. 38-39.

to be left by casual recitation of the figures is that poverty-based targeting in the program is compelling school districts to provide services to students who don't need them while being unable to serve needy children in "non-poor" areas.[44/] But as I have previously observed,[45/] the statute and regulations are enormously flexible in this regard, and simply will not support such an assertion. The fact is (putting to one side the question of how one defines a "low achiever,"[46/]), that the numbers of "low" and "regular" achievers in Title I programs do not indicate any defect in the statute's allocation and targeting provisions. If too many "regular achievers" are participating in Title I programs, then it may be that local school systems are using too high a cutoff to select program participants at previously designated "target" schools. Clearly, if only the most severely deprived children are served and less needy pupils at these schools are excluded from the program, funds will be made available to serve other severely deprived youngsters at additional schools which can be "targeted," or even to serve youngsters from non-target areas. Unfortunately, the Decima testimony and report indicate little comprehension of the extent to which services cannot be provided to all members of whatever "target group" is defined because of limited appropriations.

As I have emphasized previously, the failure to appropriate the full amount of Title I's authorization limits the number of eligible schools in a district

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[44/] Both Decima's testimony and its draft report focus much attention on the fact that not all "poor" nor all "low achieving," and not all both "poor" and "low achieving" pupils receive Title I services. Yet there seems to be no recognition whatever that the program has never been fully funded, and that the concentration requirement (programs which are operated must be of "sufficient size, scope and quality") prevents useless dilution of the funds among all potential program participants. At existing and past appropriations levels, therefore, the fact that not all potential participants receive services is a sign of proper Title I administration and not an indication that the statute needs to be altered.

[45/] See text accompanying notes 14-16 supra.

[46/] See text accompanying note 36, supra.

which can be targeted, and the number of potentially eligible students in targeted schools who can be served. Because Decima's report does not tell us in which districts the unserved "low achievers" are found, and in which districts the "regular achiever" Title I participants are found (or relate these characteristics to levels of funding provided in these districts), it is impossible to analyze what is producing the total participation figures which Decima has tabulated. The study reports only total participation figures for two categories: students one year or more behind "grade level" performance, and all other students.[47] If nonparticipating "low achievers" happen to be located in districts in which they are not receiving services because other children are even further behind, and are served first with the limited funds which are available; and if participating "regular achievers" (most of whom, according to Decima, are on the borderline of "low achievement"[48]) happen to be in districts in which they are among the most severely deprived pupils, and are hence served with available funds, then the total pattern reported would be very similar to that in the Decima study: some "low achievers" not receiving services and some "regular achievers" getting them. But if the Title I program were fully funded, it is unlikely that as many "low achievers" would not be enrolled in Title I programs.[49]

47/ The use of a single, standardized test instrument score as a measure of "low" or "regular" educational achievement also creates problems affecting the reliability of the data and their utility as a basis for making judgments about the Title I program. All such tests have built-in errors of measurement, so that individual scores could be higher or lower than actually recorded on one taking of the test. And different tests (all equally permissible under Title I) may give slightly different scores for the same pupil. These variables could change the proportions of "low" and "regular" achieving Title I participants by a considerable margin.

48/ See text at note 27 supra.

49/ Similarly, the "ceiling" on per-pupil expenditures used in the funding formula (see note 5 supra) may cause some "low achieving" children to be denied services in districts where actual costs are higher than this "ceiling" figure.

Because Decima's information is inadequate to rule out underfunding of Title I as a cause for the statistical patterns it reports, the study can hardly be said to establish the need for altering the Title I formula. No matter what allocation and targeting mechanism is adopted, appropriations smaller than the authorization are going to result in denial of services to children who need them. Apart from the effects of limited appropriations, which go unrecognized by Decima, the only legislative change which the study logically suggests is a mandated cutoff score for selection of program participants at target schools (to insure that LEAs do not serve too many "regular achievers" in Title I programs). While we do not think this is a desirable direction for federal policy, the relevant point is that this could be accomplished within the framework of the current law simply by mandating the mechanism for selection of pupils for Title I participation at target schools. Only full appropriations plus the adoption of a nationally mandated educational criterion for student participation in Title I could insure that all students in all districts at a given achievement level will receive Title I services. But this is not what H. R. 7571 proposes. In fact, the bill would maintain the existing discretion of local school districts to set their own cutoffs for selection of program participants,[50] and it would make the distribution of funds by States subject to similar discretionary decision-making.[51] Even if the allocation formula and targeting provisions were

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[50] H. R. 7571 would also eliminate the targeting and concentration-of-funds requirements within school districts, allowing services to be provided at any school in which at least 3% of the enrollment is "low achieving." This can only encourage dilution of limited Title I appropriations and the redistribution of funds and services from those schools and students who need them most—those in areas heavily populated by low-income families—to middle-class schools and pupils.

[51] Funds would be allocated only to districts which have significant numbers of children who are reported to be behind the appropriate level of achievement.

(footnote continued on next page)

altered as the bill proposes, individual LEAs will still determine which children shall participate in remedial programs, and the patterns of service shown in the Decima study could still arise.

Thus, the information in the Decima Report does not, I submit, furnish an adequate basis for the enactment of a test-score-based funds distribution and targeting system for Title I. Moreover, the patterns of Title I participation shown in the study which have been cited as evidence of the need to alter the statute would be unaffected by the changes made by H. R. 7571. There are independent disadvantages of this proposal as well.

Disadvantages of H. R. 7571

I turn now to the reasons why, apart from our perception (unchanged by the Decima study) that there is no need to alter the Title I fund allocation and targeting procedures, we would not support use of achievement test scores as the basis for a program of federal assistance for compensatory education, as proposed in H. R. 7571. The National Institute of Education has published a very useful summary of the technical difficulties which make immediate implementation of the H. R. 7571 system infeasible.[52] The bill anticipates some

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But since the "appropriate" level will be set by State education agencies which are subject to intense political pressure from local districts, there is every reason to anticipate manipulation of cutoffs in order to guarantee continued funding. The result will be to allow funds to be used for non-poor, and often non-low-achieving students in order to guarantee that a district gets funds. Since funds would decrease as achievement scores go up, there is a built-in disincentive to apply cutoffs as intended, or to report accurately the achievement gains of students. Schools that are successful in improving reading and math attainment of Title I participants would be penalized by a loss of funds.

52/ National Institute of Education, "Using Achievement Test Scores to Allocate Title I Funds" (1977).

of these problems but, as I detail in the footnote, I do not think it successfully overcomes them.[53/]

Apart from the technical problems, we have considerable doubt about the validity and reliability of the standardized achievement tests currently in use, especially about their capacity to measure accurately the educational performance of non-middle-class, minority, or culturally different children.[54/] These

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[53/] The bill proposes to use projections from a sample of 7-year-olds' scores on the National Assessment of Education Progress, a series of examinations administered through the Education Commission of the States, as the basis for allocation of funds to states. As the NIE report indicates, considerable time and expenditures would be required to modify the National Assessment to make it suitable for 7-year-old children, and to produce state-by-state (or district-by-district) results. There are additional deficiencies of the Assessment to which the NIE report only adverts. At the present time, the tests are designed to measure whether or not children of particular ages throughout the nation have mastered certain specific skills, or can recall certain specific facts. To a degree, they provide a measure of content mastery, but their value for this purpose depends upon the extent to which the tests cover material to which the examinee has actually been exposed in classes. (This is a problem common to all nationally standardized tests.) The National Assessment does not measure whether a student's achievement is "appropriate" for his or her grade and age; indeed, the results of National Assessment examinations have been given wide press coverage because they have been interpreted as showing that, whatever pupils' progress in academic subjects, they will be unable to function adequately in adult society either because they lack the ability to apply theoretical skills in a practical manner or because they have not learned the theoretical skills. The bill charges the National Center for Educational Statistics, which runs the National Assessment, to upgrade the examinations to "provide satisfactory educational performance data for children seven years of age for purposes of determining the number of such children in each State whose educational attainment is significantly lower than that reasonably expected for children of that same age and grade level." Since the National Assessment does not now provide data on "educational attainment . .. reasonably expected," the resources necessary to convert it to serve the purposes of H. R. 7571 are likely to be considerably greater than NIE's predictions, and the time necessary to accomplish this, greater than is allowed by H. R. 7571. See Harnischfeger, Huckins & Wiley, "The National Assessment of Educational Progress Model: A Tool for Achievement-Based Title I Fund Allocations?" (CEMREL, Inc., 1977).

[54/] For an exemplary discussion of problems inherent in the norm-referenced standardized tests so popular today, see Buros, "Fifty Years in Testing: Some Reminiscences, Criticisms, and Suggestions," Educational Researcher, Vol. 6, No. 7, at pp. 9-15 (July-August, 1977).

tests can, if properly administered and interpreted together with other indicators, be useful diagnostic tools at the classroom and individual school levels. But they were never designed for, nor are they appropriate for, making group judgments about the relative needs of school districts or States for remedial programs.

Even if a new national achievement test could be developed, the possible margin of error in basing allocation of funds (or selection of program participants) on a cutoff score on a single-time-administered test given to a sample of 7-year-old children (who may or may not be typical of the State or district) is significant, since "true" scores for any individual taking the test could range well above or below the reported score.[55/] Such a test would additionally be unreliable because of the different State patterns of first admission to school and the greater test unreliability for younger children.[56/] The problem would be magnified if several different tests were used as the basis for allocations, either to States or to districts within States.[57/]

We question whether the Congress is ready to commit itself to the assumption of national responsibility for the education of all children which is inherent

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55/ See note 47 supra.

56/ On the latter point, Decima found the accuracy of placement in Title I programs substantially less in earlier grades. Decima draft, pp. 53, 54. On the former, see Harnischfeger, et al., supra note 53, pp. 7-11. But testing older children to distribute funds creates negative incentives by penalizing financially schools and districts which raise the educational attainment of their pupils.

57/ There is a wide variety of standardized achievement tests available for use by school systems in the United States. Each has its supporters; each has its own peculiar error of measurement. In theory, the tests are comparable because most publishers provide grade level equivalent scores; however, these are notoriously unreliable and have been condemned by the Office of Education as invalid measures of program success. See "A Practical Guide to Measuring Project Impact on Student Achievement" (USOE, 1976), pp. 9-10; "A Procedural Guide for Validating Achievement Gains in Educational Projects" (USOE, 1976), pp. 74-92.

in this proposal. If norm-referenced tests are used as the basis for distributing funds, there will always be a bottom group of students and the program will encompass a continuing commitment to provide funds for extra services for these students. Moving to an achievement-based program using norm-referenced tests would, therefore, rest upon an implicit federal assumption of responsibility for the "grade level" academic performance of every child in the country. This would have significant budgetary implications. The fact that there are more "non-poor" low achievers than "poor" low achievers (although fewer proportional to their share of total school population[58/]) means that H. R. 7571 would cause an astounding leap in the Title I authorization. We have not heard, however, discussion by its proponents of tripling or quadrupling the Title I appropriation if H. R. 7571 is passed.

On the other hand, if federal standards of what constitutes "low achievement" are to be set, in order to provide criterion-referenced measures for fund allocation, then the federal government will become directly and inextricably involved in matters of curriculum which have traditionally been reserved to the States and local school districts.[59/]

[58/] See note 36 supra and accompanying text.

[59/] See Harnischfeger, Huckins & Wiley, "The National Assessment of Educational Progress Model: A Tool for Achievement-Based Title I Fund Allocations?" (CEMREL, Inc., 1977), at pp. 17-18.

Moreover, the departure from the philosophy that Title I is primarily to assist school districts and schools where there are high concentrations of pupils likely to have educational difficulties, in favor of the federal government's assuming responsibility for the individual progress of every student in the nation, seems to us unwise. Education is, after all, a state and local responsibility. The smaller the numbers and proportions of "low-achieving" children with whom LEA's have to deal, the more reasonable is the expectation that local resources should prove nearly, or completely, adequate to the task. While Title I is not a substitute for equalization, because it does not inexorably follow that school districts with large numbers of poor families are resource poor, that does not mean that the assumption of *educational* problems flowing from concentrations of poor children in districts and schools is invalid. Given the substantial technical difficulties and policy disadvantages of prescribing a single national measure for low achievement, and the danger that using a measure of non-achievement would "reward failure," the current poverty focus together with the flexibility at school and individual student levels now provided by the Title I program seems eminently sensible. We urge the Subcommittee and the Congress not to change that structure in favor of one whose feasibility and consequences are unknown and not well predicted.

Enforcement

Many of the members of this Coalition have grappled with federal, state and local educational agencies in their efforts through the years to secure compliance with Title I statutory and regulatory requirements. These organizations have witn[illegible]d the sporadic monitoring and enforcement activities of the agencies responsible for administering the requirements which govern operation of the Title I program. Advocacy groups are also keenly aware of the inconsistent and uneven application of standards for compliance by these agencies, and they can attest that useful technical assistance--even when welcomed at the local level--is virtually non-existent. A recent report of the National Institute of Education (NIE) entitled The Administration of Compensatory Education and the experience of many Coalition members confirms our view that the major weakness of the Title I program is its administration, not its goals or its legal restrictions or requirements. NIE's study has documented that many states have misinterpreted and misapplied Title I requirements, adoped unwarranted restrictions on the use of Title I funds or failed to provide administrative expertise and assistance to local education agencies receiving Title I funds.

Because the Coalition remains firmly committed to the proposition that Title I must continue to focus supplementary, targeted, compensatory services on educationally disadvantaged children from poor areas, we support retention of these fund allocation limitations coupled with a coherent and logical system of administration, monitoring and enforcement. To underscore the enforcement responsibilities of the Office of Education and State education agencies in the administration of Title I, we believe that new statutory provisions must be enacted. These legislative amendments should include a comprehensive administrative and enforcement mechanism which will promote compliance and prevent misexpenditure of funds as well as insure consistent, efficient and fair application of sanctions whenever persistent violation of statutory provisions occurs.

The Coalition's proposals for a comprehensive administrative structure focus on three main areas of activity. The first series of recommendations concern the pre-expenditure or application approval phase. We also present our views associated with on-going monitoring and reporting of program implementation. The final set of legislative recommendations represent the Coalition's proposals for post-monitoring compliance enforcement and leveling of sanctions. These recommendations together form a three-part, interlocking plan for comprehensive administration and enforcement.

Under current Title I law, each state is required to submit an annual program plan to USOE. However, the present annual program plan process amounts to little more than the submission of several pages of promises or assurances by state education agencies. There is no requirement that the state plan include specific information describing a state's past efforts and future plans to carry out its monitoring and enforcement responsibilities. Authors of a recent HEW study observed: "Since SEA's submit only assurances in Title I, there is no application review in the normal sense of the word. Therefore, pre-expenditure control is limited at the Federal level.[60]

Improved pre-expenditure control at the federal level would uncover problems before monies flow and thereby reduce the number of instances in which USOE must later initiate action to recoup misspent funds.

The Coalition recommends amending the Title I statute to require states to submit an annual program plan to USOE which includes more specific information such as copies of state policies and procedures, monitoring and enforcement plans for the coming year, and documents detailing compliance actions taken during the previous year. We also recommend that the Commissioner be required to review the annual program plans submitted by the states and make written findings specifying the extent to which state policies and procedures satisfy the relevant Title I requirements.

Congress has recently imposed a similar requirement for written findings by the Commissioner for approval of the annual program plan for vocational education.[61] We have also seen a considerable amount of positive enforcement activity as a result of the pre-clearance review of the

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[60] The DHEW Sanction Study, Enforcement Policy in Title-I, ESEA: Analysis and Recommendations, January, 1977 at P. 48). Hereafter DHEW Sanction Study.
[61] See the Vocational Education Act of 1965 as amended by the Education Amendments of 1976, P.L. 94-848, 109(a)(2).

Emergency School Aid applications by HEW's Office for Civil Rights. Thus, both of these programs demonstrate the utility of preventive compliance efforts.

Another series of Coalition recommendations are geared toward on-going monitoring and reporting functions at each level of government responsible for implementation of Title I. After reviewing research associated with Title I monitoring and enforcement in addition to analysing our own experience in these areas, the Coalition is convinced that reform of administrative oversight mechanisms would greatly improve enforcement of Title I program and funding requirements. The currend confused, chaotic, and haphazard Title I enforcement scheme must be replaced by legislative mandates which provide clear information precisely delineating the nature and scope of each governmental entity's responsibilities. Our examination of federal Title I audit review procedures illustrates compliance difficulties associated with the federal government's efforts to enforce existing Title I rules.

The present Title I audit resolution process epitomizes the federal government's reliance on time consuming and ineffective remedies to correct abuses. Disputes within USOE and between USOE and HEW's audit agency have compounded the problem of cumbersome administrative remedies, and the resulting delay in the issuance of Final Determination letters has meant that the five year statute of limitations bars recovery in many cases of millions of dollars that auditors have judged to have been illegally spent. An internal HEW study, known as the Pollen Report, characterized the relationship between the audit agency and USOE as "strained" and "deteriorating."[62/] A recent internal HEW study for the Secretary reported; "There is a long history of differences between OE and DHEW-AA, particularly in the Title I area... Each of these issues is being brought to the Secretary's level because--they have not been successfully resolved at lower levels, and settling them is expected to produce significant improvements in the audit resolution process."[63/]

The Coalition members have given considerable thought to federal administration, monitoring, enforcement, and application of sanctions. We have concluded that the Title I statute must be revised to specifically delineate federal level compliance responsibilities in each of these areas.

In response to this illogical and unpredictable scheme for administration and enforcement, the Coalition has drafted a set of recommendations which statutorily define federal level enforcement responsibilities. For example, the current Title I statute is silent about the Commissioner's responsibilities concerning audit resolution. A new section detailing OE's responsibilities to resolve Title I audit findings should be added to the statute. The amendment should require the Commissioner to promulgate regulations establishing:

62/ David Pollen, Study of the Audit Resolution Process In the U.S. Office of Education, August, 1975.
63/ DHEW Sanction Study

(a) each step of the audit resolution process, including firm deadlines for each step;

(b) the responsibilities of each OE Division, including the Title I Audit Hearing Board for audit resolutions, and

(c) a description of the process used to recoup misspent funds.

By requiring OE to develop timetables for the audit resolution and funds recoupment processes, USOE's dismal enforcement record should not be repeated.

A separate section should also be added to the statute requiring USOE to conduct at least an annual on-site visit to each state educational agency. This amendment should also direct USOE to make written findings based on each visit describing the problems identified in administration of the program at the state level. When local school districts are reviewed and deficiencies in the design of programs or violations in federal requirements are recorded, the statute should mandate that these findings be taken into account before future state annual program plans are approved by USOE.

To insure that USOE is carrying out its monitoring and enforcement responsibilities, the Coalition recommends that OE be required to submit a comprehensive annual report to Congress. The report shall contain information about several major compliance topics such as annual program plan approval, monitoring, as well as audit and complaint resolution. This report would document annually USOE compliance activities and pinpoint enforcement difficulties within the Title I program.

The NIE Study on the administration of Title I has pointed out that states exercise important influence over the operation of the Title I program. Since states, not the federal government have primary responsibility for education, their management can have a more direct impact on programs above and beyond that extended by the federal structure. States also have a closer working relationship with local educational agencies, and their staffs should have the capacity to provide the assistance school districts need to properly implement Title I. However, NIE's report describes the wide variation that now exists in the quality of state level administration and enforcement of Title I. NIE researchers found that some states clearly play a more passive role in providing educational leadership, technical assistance and disseminating information to local school officials and citizens. Other states with strong state departments of education have developed the administrative expertise to efficiently carry out their responsibilities. The following Coalition recommendations are designed to assure that states take appropriate corrective and timely action in response to problems or irregularities.

The Coalition strongly recommends that the Title I statute be amended to include a new section mandating state complaint procedures. Complaint resolution mechanisms should also be mandated at the local and federal levels of government. Development of these written procedures should include establishment of firm deadlines for each step of the process and distribution of these procedures to the general public. We recognize that expansion of enforcement responsibility may require increases in administrative funding to state educational agencies. We therefore recommend that the Title I statute be amended to authorize the Commissioner to increase payment of state administrative funds (not to exceed 25% of each State's authorized Title I administrative funds), so long as these increases are used exclusively for the purposes of monitoring, audit resolution, and other similar activiities directly related to enforcement of Title I requirements.

Though authority of state educational agencies to withhold or suspend Title I funds due to violations is now implied, the NIE report reveals that state education agencies have interpreted this authority in a variety of ways. The Coalition supports the concept of uniform application of sanctions within specified time frames. As a means of achieving this goal, we recommend that the Title I statute be amended to require state educational agencies to refuse to approve applications from local school districts when federal or state administration review or audits demonstrate non-compliance with Title I requirements. The revised Title I statutory scheme should include a requirement that states respond in writing within a specified time period to federal monitoring reports that contain evidence of program irregularities and violations. States would also be required to either describe the corrective actions that will be taken to remedy the identified problems or rebut the report's fundings. Within a specified time after receipt of the state's written response, USOE would be required to indicate in writing to the state whether the proposed remedial actions would be adequate to correct the problems previously stated in the federal program review. The federal agency's reply would also respond to the state's contentions concerning federal findings. If a state failed to respond within the specified time limit, USOE would then assume that its findings were accurate. The agency would be required to issue an order directing the state to indicate why further payments, or a portion of future payments, should not be withheld until the compliance difficulties are corrected. We recommend that the legislation specify a 30 day response time frame for each step described above.

The issue of the conditions under which previously withheld funds should be released must also be addressed in the Title I statute. The Coalition recommends that any funds that are withheld should not be released until the Commissioner and the state have entered into a written compliance agreement. The Title I legislation should define a compliance agreement as an agreement between the Commissioner and the state or local educational agency which sets forth the terms and conditions under which the state or local school district have agreed to operate in order to comply with the requirements of Title I. Such agreements should be comprehensive and cover all matters associated with the Commissioner's findings which would constitute violations of the Title I law. A similar compliance agreement requirement is contained in the general revenue sharing act. 64/

Following a reasonable notice and an opportunity for hearing, the Commissioner now has authority to withhold the state education agency's Title I grant after making a determination "that there has been a failure to comply substantially with any assurance set forth in the application..." The statute, however, does not specify what the Commissioner's finding must involve. The Coalition recommends that Section 146 of Title I be amended to clarify that a review by the Commissioner of the results of federal administrative reviews and audits and other available information which indicates it is more likely than not that the state and local school

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64/ See the State and Local Fiscal Assistance Act of 1972 as amended by State and Local Fiscal Assistance Amendments, 1976, 31 USC 1242(d).

district has failed to comply with the requirements of Title I. Recent amendments to the general revenue sharing legislation established a similar "more likely than not" standard for findings made by the Secretary of the Treasury.[65/]

The Title I statute (Section 146) presently authorizes the Commissioner to withhold Title I funds when there has been "a failure to comply substantially with any assurance..." We recommend the law be amended to also authorize the Commissioner to withhold a portion of the state's payments, including a portion of the state's administrative funds. In conjunction with this sanction against noncomplying states, we recommend that Title V of ESEA be amended to give the Commissioner discretion to withhold Title V funds.

Regarding the recoupment of misspent funds, the Coalition recommends that the law specify the misspent monies are to be repaid by the state. Section 143 of Title I and Section 435 of GEPA now could be construed to permit repayment to be accomplished by merely reducing future Title I payments, thereby penalizing the program's intended beneficiaries.

[65/] See the State and Local Fiscal Assistance Act of 1972 as amended by State and Local Fiscal Assistance Amendments, 1976, 31 USC 1242(c)(4).

"Follow the Child"

The final issue I want to discuss relates to both the Title I program and the Emergency School Aid Act. As you know, in 1976 ESAA was amended in order to provide for the continuation of compensatory services to students who have lost them as a result of school desegregation related attendance area changes. This was done by creation of a set-aside within the ESAA program specifically for this purpose.

Many of us who have vigorously supported school desegregation efforts over the years viewed the creation of the ESAA set-aside as a means of reducing disincentives for school desegregation that were based on fears that some children would lose Title I services. This remedy was particularly appealing to us because it preserves current Title I eligibility, concentration and targeting provisions.

The Administration's proposals for amending ESAA eliminate the set-aside and provide for continuation of Title I services only for those school districts receiving basic ESAA grants who may then use part of their grant for this purpose.

We are strongly opposed to this approach. The ideal solution of this problem of continuity of services for district's undergoing desegregation would be a separate appropriation within ESAA for the purpose of providing Title I services to who have lost them due to implementation of a school desegregation plan. We will discuss our rationale for this recommendation later in our testimony.

Unless there is a separate appropriation within ESAA for following Title I participants in these situations, the set-aside must be maintained. Without it, we will find ourselves faced with the same dilemma of a disincentive for school desegregation because some students may lose Title I services.

The ESAA set-aside was created in the 1976 Education Amendments by increasing the percentage of the total ESAA appropriation reserved for use at the discretion of the Assistant Secretary. It allows for the use of 5% of the total appropriation for providing compensatory services to students who have previously received such services funded in whole or in part under Title I, but who no longer receive such services as a result of attendance area changes under a desegregation plan or order issued after August 21, 1974.

Unfortunately, regulations governing the ESAA set-aside were not adopted in time for the 1977-1978 school year, but funds will be available for the 1978-79 school year.

Under the proposed rules for the set-aside any school district that meets the following criteria may apply for funds:

1. It is implementing a desegregation plan that was ordered by a court, or State, or approved by the Secretary of HEW under Title VI of the Civil Rights Act

of 1964 after August 21, 1974; and

2. Under the desegregation plan there are attendance area changes; and

3. As a result of the attendance area changes, students who received compensatory services funded in whole or in part under Title I are no longer receiving those services.

Several features of the set-aside are especially important in preventing the loss of Title I services due to desegregation. The major portion of ESAA funds are distributed among the states on the basis of each state's school-age minority population, as compared to the total national school-age population. Then within states, HEW ranks school districts' applications according to criteria defined in the statute, which emphasizes how well their plans would serve a number of desegregation objectives and the extent to which they reduce minority group isolation.

The state formula, which based on numbers of minority children, is not keyed to the level of school desegregation activity that is occurring within the state. The limited ESAA funds available and the consequences of the state apportionment formula mean that in some states where there is a high level of desegregation activity underway, there may be insufficient ESAA funds to meet the need. Some districts that are eligible and submit applications for

ESAA funds may not receive funds because the state's apportionment will have been committed to other districts in the state.

However, in order to receive funds under the set-aside for continuing compensatory services to previous Title I participants, a school district does not have to receive a basic ESAA grant, but only be eligible for one. Applications for the set-aside are not judged on a competitive basis or tied to a state formula. All districts that are eligible for ESAA may apply for and receive set-aside funds to provide all eligible students who lost Title I services due to school desegregation with the same level of services that they received prior to desegregation to the extent that the funds set-aside are sufficient. If set-aside funds are not sufficient to provide for all eligible students in all eligible districts at their prior level of services, each grant will be reduced by an equal proportion. Applicants will not be ranked by the quality of the desegregation plans or extent of need.

Ideally, all students eligible for services under the ESAA set-aside would receive the same level of services they received under Title I. However, the set-aside for continuing compensatory programs is limited to 5% of the total ESAA appropriation. Although we do not yet have any figures indicating the number of student who will be eligible for services funded by the set-aside, there are several reasons to believe that the number is not as large as pre-desegregation claims as fears may suggest. First of all, because districts must rerank their schools after desegregation reassignments have been made to determine which schools are eligible for Title I funds, some schools that were not eligible before may now qualify for funds and usually the total number of eligible schools increases after desegregation. Second, the many options available to districts in determining Title I eligibility and targeting already provide considerable flexibility. Until school districts demonstrate their need for the set-aside funds through the application process (which requires a copy of the desegregation plan, a description of the attendance area changes, the number of students eligible for services and the services to be provided), we will not know precisely what is the level of need. Also, school districts that receive basic ESAA grants may use these funds for continuation of Title I services as well.

The regulations for the basic ESAA grants already permit the use of funds for compensatory services. If the set-aside were eliminated and applicants for the basic grants were required to indicate in their applications how a portion of these funds would be used to provide compensatory services to previous Title I participants, only those districts receiving basic grants would be able to meet the needs of students who lost Title I services due to desegregation. As stated earlier, the level of ESAA funding and the state formula prohibit all eligible districts from receiving grants. Even if the state apportionment formula was eliminated or modified so that it was used to distribute only some of the ESAA basic grants, the level of funding could still be inadequate to assure that all eligible districts received funds and without the set-aside, some children could lose Title I services as a direct result of school desegregation. Therefore, elimination of the set-aside is unsound and unacceptable.

In order to eliminate any loss of Title I services due to desegregation, the set-aside must either be maintained or given an expanded and separate appropriation. Providing the Assistant Secretary with greather flexibility and the discretion to use more than 5% of the ESAA appropriation for compensatory purposes if necessary would strengthen the set-aside. Further, if recipients of the basic ESAA grants, their adequacy would be maximized and any Title I related disincentives to desegregation would be completely eliminated.

A separate appropriation for the set-aside is the strongest remedy since it would most easily provide Congress with the flexibility to increase the funding for "follow the child" Title I programs as the need arises. School desegregation does not occur suddenly. For those years in which large scale activity is anticipated, Congress could easily provide the funds necessary to meet the "follow the child" needs of all desegregating districts without having to appropriate $20 in ESAA for every dollar needed for "follow the child" purposes, which is the situation with the present 5% set-aside. If there were any sudden increase in need, it would be handled through a small supplemental appropriation. We urge your support of this approach.

Parent Involvement

My name is Jacqueline Williams. I am the Field Coordinator for the Title I Project of the American Friends Service Committee's Southeastern Public Education Project. I am speaking today on behalf of that Project and the organizations already mentioned, but also as a former Title I parent and a former member of a Title I Parent Advisory Council. I appreciate the opportunity to talk with you about the parent involvement principles of the Ad Hoc Coalition on Title I.

The legislative provisions for parent involvement in Title I have stengthened over the years in recognition of the important role that parents play in successful Title I program. While it has been strenghthened, there are changes that must be made if the legal mandate for parent involvement is to be fulfilled.

First of all, we now have extensive research that points to a positive relationship between parent involvement and improvement in the achievement levels of children.[66] Children with parents who feel powerless and unimportant and who are alienated from the educational institution will feel their lives are controlled by others. This leads to hostility, despair and often low achievement. When parents are involved in the education of their children and decisions affecting their lives, they feel more competent and important, creating a family environment that stimulates and reinforces achievement.

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[66] An annotated bibliography prepared by the National Committee for Citizens in Education cites must of the research that demonstrates and descrives the positive import of parent involvement in education.

Secondly, a major purpose of parent involvement in Title I is to create stronger community support for the Title I program in particular and the educational system in general. As tax payers across the country continue to reject needed increases in financial support of the schools and the schools are blamed for perceived declines in student achievement, we must strengthen the bond between parents in the community and the educational system. The community needs to be aware of the efforts extended by the federal government to help schols meet the needs of its neediest students--educationally deprived children from low-income environments--and of the successful gains that have been made. However, only when parents are welcomed and encouraged to participate in decisions that affect the program, and given adequate information and training so that they can participate knowledgeably, will a supportive partnership exist.

A third purpose of parent involvement in the Title I program relates to monitoring and accountability. The fragrant misuse of funds in the early years of the Title I program has been blamed, and rightly so, for its initial failures to achieve its intended goals and purposes.67/ While more specific expenditure requirements and strengthened provisions for enforcement have led to better use of Title I funds, program abuses have not been totally eliminated.

67/ Title I, ESEA: It Is Helping Poor Children (1969)

Parents who are informed about the legal requirements and goals of the program and who have been part of the implementation and evaluation of local Title I projects are in a position to provide an oversight function conducive to the prevention and correction of practives that do not meet the requirements of the Title I law and regulations.

We believe that all three of these purposes are inherent in the current Congressional mandate for parent involvement in the planning, implementation and evaluation of Title I programs.

While there are many examples of school districts in which active parent involvement is a valued part of the Title I program, in many others Parent Advisory Councils (PACs) are not functioning effectively. In most cases their limited effectiveness is due to the lack of leadership and initiative on the part of local, state and federal education officials who do not see its as being in their interest to provide PAC members with quality training, or to provide them with clear and easily understandable orientation materials, or to allocate resources for outreach programs in PAC members or to require that the existing law and regulations not only be followed to the letter but that qualitative compliance with the intent of the law be adhered to as well. Some school officials either do not know how or do not care to involve parents in a way that enables PACs to function with integrity and purpose.

However, even in recalcitrant school systems that do not welcome parent involvement, strengthened requirements for participation of parents in Title I programs spelled out in the law itself would clarify Congressional intent. School systems having Title I programs then at least would understand how Congress intended parents to fulfill their role in the operation of the program and what legal protections exist to ensure that parents' rights to participate are not obliterated by a lack of cooperation and good will from school officials.

The Title I Coalition urges you to support the following amendments to the law.

1. The size of Parent Advisory Council should be adequate to facilitate parent involvement. HR 9963, cosponsored by Representatives Paul Simon, Leo C. Zefferetti and Baltasar Carrada of this Subcommittee - Representative Shirley Chisholm and many other members of the House of Representatives, requires at least 10 members, three-fourths of whom must be parents of children served by the program and who are elected by parents in the school attendance area. Increasing the required Title I parent participation on the PACs from a simple majority will increase the likelihood that the PAC will function in the best interest of Title I served children. They have a more direct investment in the success of the program which will help to assure their positive participation and interest. Setting a minimum size for PAC membership will also increase Title I parent representation and

involvement in the educational process. As it is now, school officials can easily find two or three parents who will allow themselves to be used, either out of ignorance or a lack of interest in the program, as a facade of parent involvement or a rubber stamp for the schools administration's interests, rather than representing the best interest of Title I children and their parents. If we want to see PACs function as Congress intended, we must provide them with the leverage that will help to make them effective. Two or three members cannot possibly bring to the PAC the range of experience, ideas, concerns and energies that is likely to exist on larger PACs of at least 10 members.

The election, rather than selection, of the Title I parent members of the PAC provided by H.R. 9968 will further assure that they represent the interests of Title I parents. We support these modifications of the current statute and believe they would help to eliminate some of the restrictions local school districts are placing on PAC membership in order to more easily control and orchestrate the outcome of parental involvement.

2. The law should require a minimum term of membership and a minimum number of meetings. As present, in many school districts PAC membership is selected each year. When this practice is coupled with infrequent PAC meetings, it is virtually impossible for PAC members to learn about Title I; develop the expertise to fulfill their role of advising the school district in the planning, implementation

and evaluation of the program, and generally acquire the skills and insights necessary to make PAC members effective representatives of parents in the community and advisors to local school officials.

PAC members need an opportunity to become familiar with what Title I is all about in their school districts and they must become confident and comfortable in their new roles. The only way to do this is to enable PAC members to serve more than one year. Changing PAC members each year makes as little sense as changing an entire school board's membership each year. Even though the role of PACs is restricted to advising, it is an important role which is seriously compromised and subject to manipulation when there is so little opportunity for PAC members to learn how to be effective as an advisory group.

PAC membership terms should be at least 2 years, at the end of which time an individual should be subject to re-election. Furthermore, school districts should not be permitted to restrict re-election of PAC members or establish other restrictive requirements on PAC membership. In some school systems, local officials have developed membership restrictions in order to remove particular parents from PACs. This practice has been typically applied in order to eliminate parents who have become knowledgable or effective in opposing decisions regarding the Title I program made by school officials without the endorsement of the parents of Title I participants.

In addition to setting minimum terms of PAC membership, the law should be amended to require at least nine meetings of the PAC during the school year. Even if PAC members have an opportunity to serve more than one year, their effectiveness can still be eroded if local school officials determine the PAC should only meet a few times each year.

People who serve on Title I PACs for the first time often have little, or no, knowledge of Title I. They may never have identified a program in their school as a Title I program and have probably never heard of, must less seen, a Title I project application or the Title I law and regulations. Holding only a few PAC meetings each year is a subtle device used by local school districts to keep PACs uninvolved, uninformed, and generally off balance so they will be unable to gain sufficient understanding of the Title I program to offer sound advice about it.

We support the provisions of H.R. 9968 that speak of minimum PAC membership terms of two years and require at least nine PAC meetings each year.

3. The provision of adequate training and information to PACs is another essential for effective parent involvement. The regulations now require that each PAC member be given a copy of the Title I and regulations, guidelines and any criteria issued that relate to Title I; and the

state Title I regulations and guidelines (116 a.25 (g)(1). Furthermore, each PAC must be provided with the school district's current application and any other information and documents (such as prior applications, and evaluations) which are necessary for the PAC to fulfill its mandated role (116 a.25 (g). PACs must also be given an opportunity to review and consider the needed assessment data.

Another section of the regulations (116.45) says that all information and reports submitted to the state about the Title I program must be made available to parents and others "upon request . . free of charge or at reasonable costs (not to exceed the additional costs incurred which are not covered by Title I funds), or provisions whereby persons requesting such copies will be given adequate opportunity to arrange for the reproduction of such documents." (116.45) School districts have interpreted this provision with such latitude that it is indeed harassment. Parents across the country have been stifled, discouraged and disheartened by refusals of requests for information or exhorbitant copying charges. The law should remove this barrier to effective parent involvement by specifying that all PACs should be supplied, without charge, a copy of any training material that enables them to carry out their function as a member of the PAC. Allowing school districts to charge PACs for basic Title I information serves to limit their ability to obtain access to it.

Furthermore, in order to make it possible for PACs to understand how Title I programs have been implemented in their schools and, to fulfill their monitoring role, states should be required to provide each PAC with copies of relevant documents resulting from their monitoring and evaluation reviews, including program and fiscal audits. This is basic public information that PACs must have in order to function in a meaningful capacity.

Adequate training is also essential and PAC members should be in involved in the development of the school district's PAC training program to assure that it will be responsive to their needs. Otherwise, school officials can easily ignore the real training needs of parents. Local school distric applications should require a description of the training program and an assurance statement supplied by the PAC describing its role in developing the training program. These training programs should permit and fund attendance by members at meetings and workshops at the local, state and federal levels.

4. The final area I want to touch on is the need for the development of model PAC training programs and the need for technical assistance directed at helping school personnel work more effectively with parents. Few, if any institutions of teacher preparation deal with parent-teacher or parent-administrator communication and cooperation. We suspect that much of the tension that exists between school officials and parents is a result of ineptitude, not evil motives, and stems from ignorance and inexperience or both

sides. We would like to see the Office of Education perform a communications facilitation role by conducting workshops on parent involvement for school officials. Ideally, these workshops should be designed with imput from parents and representatives of parent advocates who have important insights, experience and perceptions to offer the Office of Education in planning, designing and putting on these workshops.

In order to encourage the development and implementation of model PAC training and outreach programs, Title I should provide grants to local and state education agencies and non-profit public and private agencies. NIE should publish and disseminate a report on the most successful models and a handbook on how to replicate them.

If we want parent involvement to become a reality, we must take these kinds of positive, innovative steps. It has been our experience that in the enforcement of the Title I law and regulations those provisions concerning Title I Parent Advisory Councils have not been taken seriously by local, state, and federal officials. We hope you will change this and we hope you will begin by insisting upon including the kinds of changes we have recommended for the law reauthorizing Title I. They would cost the Title I program so little and offer our educational system so much.

Principles of Support
Title I, ESEA

1. Title I funds should continue to be allocated to states and school districts, and targeted on schools within districts, on the basis of a poverty measure, rather than on the basis of test scores or other "measures of educational disadvantage."

2. The present guarantees in the statute that help insure that Title I funds provide extra services to the intended beneficiaries of the program should be maintained, including: comparability, non-supplanting, maintenance of effort, and the "excess costs" provision.

3. The specific purpose and categorical nature of the Title I program should be preserved.

4. Effective parent involvement in Title I programs should be strengthened by amendments to the statutory sections concerning Parent Advisory Councils which clarify the obligation of participating districts to:

- -- Allow parents to select advisory council membership of a size adequate to facilitate participation;
- -- Arrange sufficient advisory council meetings to provide parents with adequate training about the program, and to permit their involvement in its design and implementation;
- -- Give parents adequate and affordable access to information about the program.

5. Specific new statutory provisions are needed to underscore the enforcement responsibilities of the Office of Education and state education agencies in the administration of Title I. They should include a coherent administrative and enforcement mechanism which will promote compliance and prevent misexpenditure of funds as well as insure consistent, efficient and fair application of sanctions where persistent disregard of statutory provisions occurs. To this end:

- -- The Office of Education should review and monitor state agencies' plans for enforcement of program requirements in local programs, according to statutory timetables;
- -- Specific local, state and federal complaint procedures should be mandated;

-- Sanctions should be applied within specified time frames but also made more flexible (to include partial withholding of funds), and more broad (to include withholding of Title I and Title V administrative set-aside funds).

6. Full funding of the current Title I authorization is critical to the achievement of the greatest progress in improving educational attainment of students in districts with high concentrations of low-income families. Because Title I has never been fully funded, most programs serve only students in the primary grades during the regular school year although research indicates that gains are lost over the summer months. In light of these funding realities at the present time, the statute should be amended to provide separate authorizations for summer, secondary grade level, and parent education programs under Title I, keyed to the existing Title I formula.

7. A separate authorization should also be provided for programs of training professional and paraprofessional educational personnel who will work in local districts with Title I participating students including those who are not themselves Title I personnel.

8. The development and dissemination of model Parent Advisory Council training programs through contracts or grants to non-profit public interest organizations should be authorized. Parent involvement has been required in the program since 1971 but the Office of Education has been unable to develop appropriate information and materials. For the same reason, the statute should be amended specifically to direct the Office of Education to assist local school personnel (through workshops, etc.) to work with parents in the Title I program.

9. An increase in the set-aside of Title I funds for state administration of the program is justified if the additional resources are used for the purpose of monitoring and enforcement of program requirements in local school districts.

10. The fear that Title I students will lose services often creates a negative attitude toward school desegregation. Federal legislation should provide incentives for desegregation, but in a way which does not dilute the level of Title I services in target schools or create a struggle between groups for a share of limited Title I funds.

This can best be accomplished by either maintaining the current set-aside in the Emergency School Aid Program which provides funds to continue Title I services to former participants who will otherwise lose them due to reassignments under a desegregation plan, or by creating a separate appropriation within ESAA for this purpose.

Partial List of Endorsees
(The full list will be provided on March 6, 1978.)

American Coalition of Citizens with Disabilities

American Council of the Blind

American Friends Service Committee

Chicano Education Project

Children's Defense Fund

Children's Foundation

Federal Education Project

League of Women Voters of the United States

NAACP Legal Defense and Educational Fund, Inc.

National Committee for Citizens in Education

National Urban League

Washington Teachers' Union

Chairman **PERKINS**. Thank you very much.

Mr. **CHACHKIN**. Could I ask Ms. Williams to speak about parents involvement for a moment?

Ms. **WILLIAMS**. I am Jacquelyne Williams. I am field coordinator for the American Friends Service Committee, South Carolina, Public School System.

I am speaking today on behalf of that project and the Ad Hoc Coalition on Title I. I am also a former title I parent. I will try and be brief with my statement. I appreciate the opportunity to speak before you today.

The size of parents advisory councils should be adequate to facilitate parents' involvement. H.R. 9968 requires at least 10 members, three-fourths of whom must be parents of children served by the program and who are elected by parents in the school attendance area.

Increasing from the simple majority will increase the likelihood that the PAC will function in the best interests of title I served children. They have a more direct investment in the success of the program which will help to assure their positive participation and interest.

In a South Carolina school district, the title I discussions concerning the district council advisory organization and activities could not be carried out because they never had enough members present to make a quorum. The district advisory council expanded its membership to 18. The law should require a minimum term of members and a minimum number of meetings. At present, in many school districts, PAC members are selected each year.

Where this program is coupled with infrequent PAC meetings, it is virtually impossible for PAC members to learn about title I, to develop expertise, to fulfill their role of serving the school district and generally acquiring the skills and insight necessary to make PAC members effective.

PAC membership terms should be at least 2 years, at the end of which time individuals should be subject to reelection. Furthermore, school districts should not be permitted to restrict the election of PAC members or establish other restrictive requirements on PAC.

The law should also be amended to require at least nine meetings during the school year. If PAC members have an opportunity to serve more than 1 year, their effectiveness can still be eroded if local school officials and PAC should only meet a few times each year. Within the one county, PAC members were being retained from one year to the next, but they were only allowed to meet four times a year.

After 2 years of being on PAC, most of the members could not effectively explain what title I was. Direct parent involvement in the planning, assembly talks and operation of the title I process in South Carolina did not occur until the parents voted to meet at least once a month during the school year and began living the role of title I parent advisory council members.

We support the provisions of H.R. 9968 that speak of minimum PAC members' terms over 2 years and require at least nine PAC meetings each year, to provide adequate training and forum to PAC is another essential factor for parent involvement.

The regulations now require that each PAC member be given a copy of the title I law and the issues that relate to title I and the State title I regulations and guidelines. Another section of the regulation says that all information and reports submitted to the State about the title I program must be made available to parents and others upon request, free of charge or at reasonable cost.

Parents across the country have been stifled, discouraged, and disheartened by refusal of information or exorbitant copying charges.

The law should remove this barrier to effective parent involvement by specifying that all PAC's should be supplied, without charge, a copy of any training material that enables them to carry out their function as a member of the PAC.

Also essentially, PAC members should be involved in the development of school district PAC training programs to assure they would be responsive to their needs. Local school district applications should require a description of the training program and an assurance statement supplied by the PAC describing its role in developing the training program.

The final area I want to touch on is the need for the development of model PAC training programs and the need for technical assistance directed at helping school personnel work more effectively with parents.

We suspect that much of the tension that exists between school officials and parents is a result of ineptitude, not evil motives, and stems from ignorance and inexperience on both sides. We would like to see the Office of Education perform a communications facilitation role by conducting workshops on parent involvement for school officials. Ideally, these workshops should be designed with input from——

Chairman PERKINS. We have six or eight more witnesses. Can you summarize that statement for the record? It would be very helpful if you could.

We did not know you were going to testify, but we will not deprive any person of presenting their views. We have to meet a time limit. We have to go over to Alexandria tonight.

Ms. WILLIAMS. If we want parent involvement to become a reality, we must take those kind of positive innovative steps which would cost the title I program very little and offer a better education system.

Thank you, Mr. Chairman.

Chairman PERKINS. Thank you very much.

Before we start with you, Dr. Fish, Mr. Wesley L. Apker, executive secretary of the National Association of State Boards of Education, who was on the panel following Dr. Fish, had to leave. Without objection, his statement will be inserted in the record.

[Mr. Apker's full written statement follows:]

Statement of the
National Association of State Boards of Education

on

Two Aspects of the Renewal of Elementary and Secondary Education Programs

- Reduction of Paperwork
- State Bypass

Before the

Subcommittee on Elementary, Secondary and Vocational Education

of the

House Committee on Education and Labor

Presented By

Wesley L. Apker

Executive Secretary

National Association of State Boards of Education

March 6, 1978

I am Wesley Apker, Executive Secretary of the National Association of State Boards of Education. The National Association of State Boards of Education represents the fifty-five state and territorial boards of education. NASBE appreciates this opportunity to speak to two issues the subcommittee will be considering as it works on the reauthorization of the Elementary and Secondary Education Act. These issues are the reduction of paperwork and state education agency bypass.

First, the issue of paperwork reduction. While we could cite much evidence for the need for paperwork reduction, we are convinced this subcommittee is well aware of both the statistics and the need. You were informed of the need in May of 1977 when a number of state education agency officials testified before this Subcommittee; you have read the findings of the Commission on Federal Paperwork submitted in October of 1977; and we know that you have reviewed the findings and recommendations of the CCSSO Paperwork Reduction Task Force submitted to you this past November.

Those recommendations have now been incorporated into H.R. 10889.* NASBE endorses these proposed changes and urges you to include these needed amendments in the final draft of the ESEA Reauthorization package. We point out however, that while H.R. 10889 provides relief from many of the current paperwork overburdens, it does not include any mechanism to assure that in the future, paperwork burdens will not once again increase. For this reason, we also support the provisions of H.R. 10892.** This proposal would establish several mechanisms which would ensure that the Congress' intent to reduce the paperwork burdens upon state and local education agencies would not be abrogated by federal agency initiatives.

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* See Appendix A for bullet overview
** See Appendix B for bullet overview

The second issue we wish to discuss is the matter of state bypass. One of the bills which this committee has before it is H.R. 10890.* This bill proposes some sweeping changes in the traditional partnership between the federal, state and local levels, changes which we believe are ill advised. In order to coherently express our opposition to state bypass, it is necessary to briefly review the structure of educational governance in this country, including the responsibilities assigned to certain state policy makers.

State Level Educational Governance in the United States

Forty-nine of the 50 states have elementary/secondary state boards of education. (Wisconsin has a state board for vocational education but not a state board for elementary and secondary education). Of the 49 state boards responsible for elementary and secondary education, 25 have been constitutionally created and 24 have been statutorily created. One cannot easily generalize about the educational governance structure of the fifty states, as Table One portrays.**

According to the Table, there are twelve different mechanisms by which state boards and chief state school officers attain their positions, but the most common structure provides for the governor to appoint the board, which in turn appoints a chief.

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* See Appendix C for bullet overview

** See Appendix D

Role of the State Board

Summarized roughly, the common powers and duties of state boards include:

- establishing foundation aid programs;
- certifying professional personnel;
- establishing minimum school standards and curricula;
- overseeing local school district organization and reorganization;
- establishing standards for school facilities and sites;
- overseeing and approving state plans for both vocational education and vocational rehabilitation;
- developing and establishing statewide goals which ensure equal educational opportunities for all children.

In general it can be said that state boards are both policy-making and administrative boards, but many also have either judicial or quasi-legislative functions. In addition to exercising general supervision over the public schools, state boards are commonly required to recommend to the governor and legislature the amounts needed for financing the public schools and the state education agency.

Some Allegations About the State Role

Last year this subcommittee heard on several occasions the following allegations:

- Education is a state responsibility, but most state legislatures have placed primary legal authority for education at the local level.
- The federal government has given so much money and power to state agencies that some can operate almost independent of state budgets.

- Some state agencies, due to federal legislation, have achieved greater authority over local school districts than they could have achieved through their state legislature.

I will respond to each of these arguments. It certainly is true that education is a state responsibility. However, it is less accurate to say that "primary legal authority for education [resides] at the local level." Primary legal authority resides first at the state level and whatever legal authority local school districts have, has been defined both by the legislature and the state board of education. Further, the operating authority of local school districts is defined both by the state legislature and the state board of education. While it is true that state boards of education and state legislatures both strive to assure as much local autonomy as possible, neither body delegates their responsibilities for oversight and for assuring an equal educational opportunity for the children of a state.

The second allegation is that the federal government has given so much money and power to state agencies that some operate almost independent of state budgets. Fiscally it is true that the amount of federal funds flowing to state education agencies has increased. But it is also true that the total amount of federal funds flowing to all state and local governments has increased. The allegation that the federal government has increased the power of the state must be viewed in the context of "what kind of power?" The federal government has rightly asked the states to exercise certain oversight and monitoring responsibilities and has also asked the states to report instances on noncompliance to the federal level. But as our earlier review of the powers and duties disclosed, the state board by state constitution or statute, already has been granted the authority of oversight, monitoring and general supervision.

The third allegation is that state agencies due to federal legislation have achieved greater authority over local school districts than could have been achieved through their state legislature. This allegation may or may not be true. What is true is that the percentage of state revenue allocated to education has, over the past ten years, increased significantly. To think for a moment that either a governor or legislature would not have ascribed corresponding oversight responsibility to some agency, office, or committee is simply in error. In fact not only have state legislatures increased their own oversight capability, they have also increased the state education agency's oversight responsibility.

The Impact of H.R. 10890 Regarding State Governance

Returning now to the proposal, H.R. 10890, the following provisions would have the most destructive impact upon established state governance:

1. Unless annually addressed by state law, most ESEA funds would flow directly to the local school district;
2. If the state education agency were designated by the state legislature as the recipient of federal education funds, the SEA would become an agent of the U.S. Commissioner;
3. The creation within each state of a panel of professional experts to establish minimum levels of quality for any of the federally supported programs named;
4. The creation of a direct federal-to-local linkage, essentially bypassing the authority of the state;

5. The proposed intention to, commencing in 1980, substantially dictate to the states the taxation mechanism by which the public schools would be supported.

NASBE's Response

That education is a state responsibility is clear. The U.S. Constitution by its silence affirms it; the Congress in its education legislation has stated it; and state constitutions require it. In recognition of their responsibility, states have created state boards of education and have vested them with the responsibility for "supervising the schools." It is our firm belief that any act of Congress or any regulation or practice of a federal agency which proposes to bypass the constitutionally or statutorily created state education agency will seriously weaken the historic pattern of educational governance in the United States.

1. Annual Legislative Declaration that SEA Shall Receive Funds. Apart from the fact that not all state legislatures meet annually, this proposal asks the states to reaffirm what they have already decided. The spector of annual legislative battles between state and local forces seems counterproductive and unnecessary. Second, such a requirement would appear to require forward funding two years in advance. While we do not object to that, it is a reality the Congress would have to live with.

Third, it is highly improbable that a legislature would deal with this question outside of the larger issues surrounding the legislative reappropriation of all federal funds. Unfortunately state litigation on this issue is inconclusive. The Supreme Courts in Arizona, Colorado and Indiana have ruled that under their state constitutions, the legislature may not reappropriate funds. Pennsylvania is currently in litigation. The Alaska Attorney General and the Montana Supreme Court have ruled that an Interim Legislative Committee cannot make decisions on federal funds received between sessions.

2. SEA An Agent of the U.S. Commissioner. In addition to requiring an annual legislative declaration, this proposal indicates that if designated as the recipient of federal funds, the SEA would become an agent of the U.S. Commissioner. Whether by accident or design, the drafters of the proposal appear to be moving us toward a system of more federal control. Clearly we oppose that.

We understand that the acceptance of federal funds carries with it certain federally imposed mandates. It is one thing to agree to certain federally imposed mandates, it is quite another to be designated an agent of the federal government.

3. Creation of a State Level Panel of Professional Experts to Establish Minimum Levels of Quality. Obviously we oppose such a proposal. This authority is already vested with state boards by state constitution or statute. It is inappropriate for Federal legislation to supercede that authority. A second issue however is whether minimum levels of quality should be established by lay citizens or professional experts. Historically this nation has placed this responsibility with lay governing boards. We believe that is where it must stay. Even if we were to grant the wisdom of this particular proposal, it should never be federally mandated.

4. The Creation of a Direct Federal-to-Local Linkage. Few will argue with the needs of local school districts for more stable revenues. But that is not the issue here. The issue is, if the federal government

agrees to provide greater fiscal resources for the education of children, should those funds flow directly to the local district or through the state? If the funds do flow directly to the local school district, who will exercise oversight and who will provide technical assistance? If the funds do bypass the state, how will state governance be exercised?

Unless it is the intent of Congress as a matter of national policy to weaken the state's traditional governance role over education, then we urge the Congress to continue to dispense funds through the state education agency. Further, we believe that federal funds distributed to the state education agency should not limit the state board's responsibility and its opportunity to mix federal, state and local funds to achieve both state and federal priorities.

5. State Taxation Mechanisms. NASBE, like several other organizations, has maintained a strong commitment to state taxation reform and to stabilized educational funding. We also recognize the limits of the local property tax as the major vehicle for funding the schools. But it strikes us as singularly inappropriate for a federal law to dictate much of a state's taxation structure. We believe it is absolutely necessary to count federal funds within a state education funding formula when that formula by specific design is an equalization formula. But the kind of tax package which a state creates to achieve equalized educational funding is properly a matter left to the states.

Mr. Chairman, we have purposely limited our remarks to the two issues of reducing paperwork and bypassing the state education agency. your staff during the drafting of the Committee's bill. Thank you for the opportunity to share our concerns. We stand ready to respond to questions and to work with the Sub-Committee as you proceed.

Appendix A

Summary of 10889

Chief State School Officers

Title I

- eliminate the requirement for state agencies to transfer funds to local education agencies for children leaving state-operated institutions for the handicapped;
- allow local education agencies to submit statements of assurance, wherever possible, to "minimize criteria for detailed information";
- delete the comparability requirements for state and local programs for handicapped children or limited-English speaking children;
- exempt Title I expenditures of less than $15,000 for construction or remodeling from the Davis-Bacon Act;
- allow Title I funds to follow a child transferred from a Title I eligible school to noneligible areas because of a desegregation plan;
- require that parent advisory councils for individual schools be mandated only if the total Title I grant to the district equals at least $50,000;
- allow state education agencies to suballocate Title I funds to school districts based upon the number of formula children on a statewide basis, rather than the present subcounty allocation system;

- increase the setaside for state administration from 1 to 1.5 percent of a state's Title I allocation, with a minimum of $300,000, double the current minimum;
- revise the penalty for failure to comply with comparability requirements from total loss of Title I funds to a penalty equal to the amount of state and local funds needed to achieve comparability or the amount of Title I funds spent in noncomparable Title I schools, with the commissioner of education given discretion as to which of the penalties to apply;
- amend the General Education Provision Act so that state education agencies would be authorized to grant waivers for maintenance of effort.

Title IV

- permit filing of a five-year program plan with the Office of Education which may be amended annually to update its provisions;
- allow separate applications for funds under Titles IV-B (libraries and learning resources) and IV-C (support and innovation);
- shift the responsibility for annual evaluations of the effectiveness of programs from state advisory councils to the state education agency;
- eliminate requirement for assurances of accessibility for the handicapped, since assurances are required under Section 504 of the Rehabilitation Act of 1973;
- let SEAs provide services to state advisory councils and eliminate the advisory council's authority to employ professional, technical and clerical personnel;
- eliminate the requirement that SEAs collect expenditure data from private schools for maintenance of effort;

- make additional funds available to local education agencies whose tax effort is substantially greater than the state average tax effort and for high-cost children;
- remove the setaside for programs for handicapped children;
- move the special projects act into part C and authorize competitive funding of the different programs under Special Projects Act;
- provide for one-year advance notice if a state's allotment is to be reduced and allow the SEA to reallocate the remainder of the prior year's funds which were not used;
- increase state administrative funds from the present 5 percent for parts B and C to 7.5 percent for parts A, B and C;
- make LEAs eligible for special grants under Part C;
- repeal the consolidation trigger.

bilingual education,

- provide for state administration of the bilingual education projects, with applications by LEAs going to SEAs, who would establish criteria;
- permit a single grant application for periods up to three fiscal years;
- provide that grants be made to applicants to continue previously funded bilingual education programs for an additional year at the same amount as the preceding fiscal year.

National Reading Improvement Act,

- move grant authority for the program to state education agencies;
- require the commissioner of education to provide written confirmation no later than 60 days prior to start of the project;
- provide a 5 percent setaside or $5,000 (whichever is greater) to cover state cost of administration.

Emergency School Aid Act

- require that applications for assistance be submitted no later than 90 days after the beginning of the fiscal year;
- require annual rather than semi-annual reports;
- limit information in the reports to what is necessary to determine eligibility, compliance and achievement of purpose;
- require requests for information to be published in the Federal Register, with a plan specifying how the information will be used;
- require information requests to be standardized and applicants and recipients notified nine months prior to collection of new information;
- require information to be coordinated with Office for Civil Rights collection efforts.

Appendix B

SUMMARY OF 10892

National Center of Education Statistics (NCES)

General Education Provisions Act

- make the National Center for Education Statistics the coordinating body for information and data collection requests from all federal agencies when those requests go to educational agencies or institutions or when the information being collected relates to management or policy of federal education programs;
- establish in NCES a unit for educational data management, headed by an assistant administrator for data management to coordinate federal data collection;
- create a Federal Education Data Acquisition Council which would advise NCES' new unit in improvement, development and coordination of federal educational information and data acquisition;
- make the new office in NCES responsible for review of proposed data collection to determine whether it is excessive, unnecessary, redundant, ineffective or too costly and give the new office authority to withhold approval of any collection that doesn't meet requirements;
- call for a justification from each agency that is proposing to collect educational data, which must include how the information will be used, method of analysis, a timetable for dissemination and an estimate of the number of manhours required to complete the information request;
- specify that requests for information must be approved and announced publicly by Jan. 1 prior to the school year the information will be collected, with exceptions only in urgent or unusual circumstances;
- require, wherever possible, sampling rather than universal responses, with special consideration given to small school districts, colleges or educational agencies or institutions;
- establish a 30-day comment period for educational agencies or institutions prior to approval of applications;
- require the administrator of the new data collection unit within NCES to develop standard terms and definitions to be used by all agencies for education data collection, an automated indexing system for cataloging all available data and uniform reporting dates among federal agencies for information and data acquisition;
- authorize grants to state education agencies for development or improvement of computer data systems;
- call for submission of application for programs for two fiscal years when permitted by law;

- establish uniform dates during the year for submission of applications when possible;
- require the commissioner of education to develop a common application or where possible a single application for grants to LEAs for state-administered programs when grants are distributed by formula, or on a competitive or discretionary basis.

Appendix C

SUMMARY OF 10890

National Education Association

ESEA Title I,

- extend Title I for two years through 1980;
- repeal part B state incentive grants;
- provide separate appropriations for state agency programs under Title I;
- require LEAs to assess the educational needs of all children from low-income families, with the involvement of parents and teachers;
- develop and implement a plan for providing education for all school children in the district which will insure that educational needs of all children from low-income families are met;
- establish complaint procedures for teachers and parents of children from low-income families and develop procedures to remedy defects in the program;
- require the U.S. Commissioner of Education to develop regulations defining the adequacy of a school district's program and complaint procedure;
- require OE to make payments directly to LEAs unless a state legislature asks that OE's approval authority be delegated to a state education agency;
- eliminate supplanting and comparability requirements because the proposal to serve all children from low-income families makes such requirements unnecessary;
- allow federal, state and local funds to be combined and coordinated into a single comprehensive plan designed to cover an entire school district without an accounting of services from each source;
- provide that parents and teachers of children from low-income families participate in initial assessments upon which the Title I program is developed and continuing periodic assessments of the needs of the children in the program;
- provide an opportunity for a fair hearing and establish a means of resolving disputes for any parent or teacher dissatisfied with the planning or operation of the Title I program, with a provision for appeal;
- authorize the commissioner to establish by regulation minimum standards for parent and teacher participation;
- prohibit advisory councils from excluding non-members, parents or teachers from full participation;
- require LEAs to adopt procedures for evaluating Title I projects which include objective measurements of educational achievement with the achievement results to be reported to state education agencies which would in turn report results to the U.S. commissioner;
- require the U.S. commissioner of education to evaluate Title I programs to determine the extent to which children from low-income families have opportunity to participate and benefit from Title I, and whether parents and teachers of children from low-income families are involved; complaint, hearing and appeals processes are adequate; and SEAs are carrying out authority delegated to them.

consolidation Title IV

- extend Title IV through fiscal year 1980;
- require only three assurances: that the state is administering the programs a description of the state's plan to carry out programs, and assurance that 95 percent of the state's allotment under part B (libraries and learning resources) and 85 percent of part C (support and innovation) will be distributed to LEAs;
- make state advisory councils optional;
- change program requirements for both parts B and C to provide emphasis on quality of programs supported;
- establish state standards for quality of services to be determined by a panel of expert in each state;
- place guidence and counseling in part C support and innvoation activities.

impact aid construction

- extend impact aid construction program through fiscal 1983;
- authorize funds for restoration of school facilities older than 20 years;
- limit funding of temporary educational facilities on federal bases and property to 10 percent of the appropriation, with any additional funds to be transferred from the Department of Defense appropriation;
- require OE to make supplementary budget requests to replace funds used for disaster relief.

impact aid maintenance and operation

- extend the programs through fiscal 1980;
- permit updating of eligibility for assistance in cases where the federal government owns a substantial part of the land in a school district;
- simplify method of computing amount which school districts are entitled to, using state or federal average per pupil expenditure rather than figures from comparable districts;
- require payments no later than Oct. 30 to school districts at 75 percent of the previous year's payment, with adjustments made later based on actual current year data;
- guarantee full payment for all children of military personnel (A and B category children) in heavily impacted districts;
- prohibit state aid under equalization provisions from being defined to include local taxation on real property;
- require that an equalized state finance program may not permit a disparity in expenditures between school districts of more than five percent;
- eliminate distinction between low-rent public housing children and other federally connected children;
- provide administrative review of OE determinations under the Administrative Procedures Act.

Indian Education Act,

- extend act through 1983;
- add a new subsection which states that education programs for the Indians should be determined as far as possible by Indian people;
- authorize programs of grants and contracts for research and curriculum development.

. Special Projects Act,

- extend the programs through 1983;
- establish separate authorizations for gifted and talented, women's educational equity and career education programs.

new "Grants to Local Education Agencies,"

- consolidate ESEA Title I, consolidation Title IV and impact aid;
- authorize a five-year program of grants to LEAs to assist them in maintenance and operation of schools;
- provide that each grant is a percentage of the LEA's average per pupil expenditure for all children and various children having special needs;
- establish a formula which states that each LEA is entitled to a grant equal to 10 percent of its average per pupil expenditure (APPE) multiplied by the number of children in average daily attendance at the schools plus 90 percent of the APPE for impact aid A kids, 45 percent for impact aid B kids (parents live or work, but not both on federal property) and 40 percent for each child from a low-income family;
- require LEAs to submit plans for two years, covering how the LEA would meet the needs of children in its schools;
- permit SEAs to approve applications if the state legislature enacts a law requiring SEA approval;
- require LEAs to meet maintenance of effort requirements;
- provide for quarterly payments each year;
- require evaluations by OE of programs authorized under this section.

new state equalization grants program

- authorize grants to each state, starting in fiscal 1980 and running through Sept. 30, 1985, with grants equal to the federal percentage of each state's payment for that fiscal year to local education agencies in the form of unrestricted assistance to the LEAs for maintenance and operation of schools. --HH

Appendix D

Table I

Variations in Governance Structures in the Fifty States

Chief State School Officer

State Board of Education	Partisan Ballot	Non-Partisan Ballot	Appointed by Governor	Appointed by Board	Total Number of States
Appointed by Governor	8	4	5	15	32
Partisan Ballot	1			7	8
Non-Partisan Ballot				4	4
State Legislature	1			1	2
Local School Boards		1			1
Constitutional Officers	2				2
No State Board		1			1
	12	6	5	27	50

Chairman PERKINS. We have Mr. McGuinness, Coordinator of Federal Relations, Education Commission of the States; Mrs. McNamara, chairman, Reading is Fundamental, Inc.; Dr. John Alden, executive director, National School Volunteers Programs, Inc.; and Mr. Michael Romo, executive director, National Congress of Hispanic-American Citizens.

We will hear from you now, Dr. Fish. We have several witnesses still to cover this afternoon.

STATEMENT OF DAVID FISH, PRESIDENT, IMPACTED AREA SCHOOLS

Dr. FISH. We thank you and we realize the time problem. We will submit our full statement for the record. We will not repeat the previous testimony.

Chairman PERKINS. Without objection, the prepared statement will go in the record.

Dr. FISH. I would like to make four main points in the response to the administration's proposal.

One, regarding impact aid, I regret to say no one knows the effects now the proposed changes will have on impact aid. We request that the committee reject these proposed reductions until you have an opportunity to examine the data and the justification proposed. We are finding a great deal of difficulty in determining what happens at this late date in long legislative process.

Two, we cannot assume the administration's proposal will cut funding to thousands of school districts serving millions of school children throughout the country. We believe all of the basic premises of impact aid still hold. There is a precedent you heard about, it comes from Bayonne, N.J., today and so we feel in a time of fiscal crisis for impact area schools, that the program should be continued.

Three, we regret the continued focus of suburban Washington areas for impact aid. We do not think that is appropriate for a national program. You often hear of Montgomery County. It is 1 of 10 counties in the area and 1 district of 4,300 across America, that are part of impact aid. We realize it is a national program and does require a national effort.

Four, impact aid, we consider from our point of view, is a most cost effective Federal program. We bring to your attention that you have very few gripes about the operation of the program. The low administrative cost support of the educational national program does not provide a top-heavy bureaucracy and process for effective local control. We are concerned that the fail-safe provisions of the staffs of the offices are being reduced.

We feel the program is too complicated and would be an even greater task with a reduced staff. We regret that seriously.

In conclusion, the administration's proposals for impact aid reduction endangers the financial life of schools and seriously impairs the quality and range of education services to our country's children.

We fear another case of educational malnutrition.

Thank you.

Chairman **Perkins**. Let me compliment you and all the others who have testified. I do not like to have to cut anyone short here, and will not. I appreciate everybody staying with me, like they have this afternoon, because we are going to go from one meeting to another. We have been going all afternoon and will continue this evening.

Dr. Fish, we certainly will take a good look at your testimony before we make any changes in the program. We give you that assurance.

[Dr. Fish's full written statement follows:]

TESTIMONY OF

DR. H. DAVID FISH
PRESIDENT
IMPACTED AREA SCHOOLS
INFORMATION SERVICE

FOR

THE SUBCOMMITTEE ON ELEMENTARY,
SECONDARY, AND VOCATIONAL EDUCATION
OF THE HOUSE EDUCATION AND LABOR COMMITTEE

ON

PUBLIC LAW 874 - IMPACT AID

MARCH 6, 1978

The Impacted Area Schools Information Service wishes to thank the Committee for this opportunity to testify on the Administration's proposed amendments to the laws authorizing school assistance in federally affected areas - Impact Aid.

Section 201 of Title II of the Administration bill contains admendments which, if enacted, would substantially revise Public Law 874, Eighty-first Congress and, in so doing, would reduce assistance to every school district now receiving Impact Aid and eliminate nearly every large city school system in the country from the program.

After studying the bill, we are compelled to oppose every provision of section 201 of the bill except the extension of section 3(b) of Public Law 874. The proposed amendments show no evidence of any considerations of the educational needs of federally connected children or of the school systems serving these children. The sole motivation behind this bill appears to be to cut down payments to school districts.

In our opinion, Public Law 874 does not need a complete revision again this year. In 1974 the Congress rewrote sections 3 and 5 of P.L. 874 and, in so doing, reduced entitlements for a majority of the school districts in the country. We are just now learning to operate under the new system established by the 1974 revision. A substantial change in the program at this time would cause needless disruption both in the Office of Education and in school districts across the Country. It should be noted that it took the Office of Education nearly three years to adjust to the 1974 amendments.

We would recommend that this Committee, in considering amendments to P.L. 874, keep in mind the basic purposes of the Impact Aid program and evaluate legislative proposals in light of those purposes, It is our view that Impact Aid has two purposes: (1) to provide revenue to school districts for the education of children for which local revenue is not available or is reduced because either their home or the place of employment of their parents are not subject to taxation by reason of its being Federally property; and (2) to ensure that at least a minimum level of education is available for the children of Federal employees where ever they are located.

With this in mind, we would like to discuss specific amendments proposed by the Administration.

"OUT-OF-COUNTY" FEDERAL PROPERTY

Under existing law children are counted as being federally connected so long as the Federal property on which their parents are employed is in the same State as that in which the children attend school. If that property is located in a county other than that in which the school district is located, the Federal contribution is reduced by 5 percent.

The Administration proposes to eliminate payments for children whose parents are employed on Federal property in another county.

Under normal circumstances local revenues for the education of children come from two sources: (1) property tax on the place of residence; and (2) property tax on the place of employment of the parents of those children. When a child attends school without both sources of revenue supporting his or her education, the local community must pick up the cost. The fact that a child's parents work on Federal property is the same wherever that property is located. One of the sources of revenue for that child's education is missing.

Under existing law, the Federal Government pays part of the cost. Under the Administration's proposal the burden of the cost of educating these federally connected children would be shifted from the Federal Government to the local community. We see no justification for this shift in responsibility.

CHILDREN OF MILITARY PERSONNEL

Under existing law, if a child has a parent in the uniformed services, that child is considered to be federally connected without regard for whether the child is living in the same residence as that of the parent. This was justified because military personnel are frequently stationed away from their families.

The Administration proposes that a child of a member of the uniformed services may not be counted as federally connected unless the child resides in the "household" of the military parent. We do not know the intention or the effect of the proposed change. Does this mean that the children of a sailor on sea duty are not counted?

If there is an intention to make sure that there is a connection between this child and the parent, we would suggest that the term "household" is difficult to handle and would complicate the counting process. Should the concept behind this proposed change be adopted, we would suggest that the term "dependent" would be more appropriate

LOCAL CONTRIBUTION RATE

Under existing law, school districts are paid on the basis of a percentage of the local contribution rate (LCR) for that district for each federally connected child. The payment for children of members of uniformed services who reside on Federal property (military A children) is 100 per cent of the LCR; that for civilian A children is 90 per cent; that for military B children is 50 per cent; and that for civilian B children is 45 per cent. The LCR for a school district is determined by selecting school districts which are generally comparable with that of the school district receiving Impact Aid and finding the average per pupil expenditure from local sources in those comparable districts. The LCR for a school district may not be less than 50 per cent of the average per pupil expenditure in the State in which it is located or in the Nation, whichever is greater. (The Office of Education also uses another method called the "group rate" which is of questionable legality.)

The guarantee that no LCR may be less than half the State average or half the national average per pupil expenditure was added to this program in order to insure that children of Federal employees have at least a minimum level of education available wherever they live.

The Adminstration would change this by requiring all LCR's to be 50 percent of the State average per pupil expenditure. The effect of this change would be to cut the poorest school districts - those using the national average - and turn the guaranteed minimum into a ceiling.

We would point out that this change not only would hurt school districts badly but would detract from the education of federally connected children. The Government will find more resistance from both military and civilian employees when it is proposed that they be transfered to a poor area of the country. They will not want to move to areas where the level of education is not at least that of the national average. At the same time, local communities are going to resist taking federally connected children if the Federal contribution for their education is not adequate to cover the cost of their education. This could lead to hostility between civilians and military personnel around military bases.

The Administration proposal designed solely to cut the amount of payments and does not appear to take the cost of education into consideration in any way.

ABSORPTION

Under existing law, once a school district meets the minimum level for eligibility (400 federally connected children or a number of federally connected children equal to at least 3 per cent of the district's average daily attendance) all federally connected children are counted for by computing the amount of its entitlement.

Under the Administration proposal, school districts would receive payments only for those children in excess of 3 per cent of the non-federally-connected enrollment of the school district. In other words, school districts would be required to absorb the entire cost of the education of a major part of federally connected children The adoption of this provision would have a devastating effect on almost every school district in the country which receives a substantial amount of Impact Aid.

Most large city school districts would be eliminated from the program. Other school districts which are heavily dependent upon Impact Aid live on almost no margin in their budgets. A reduction of even 1 or 2 per cent of their Impact Aid payments would result in staff reductions or shortened school years.

ELIMINATION OF LOW-RENT PUBLIC HOUSING

Under existing law, the definition of Federal property includes the property on which low-rent public housing has been constructed. These properties were included because they do not serve as the basis for revenue for education and large numbers of children from low-income families reside on them. Payments on the basis of children residing in public housing has been especially helpful to the cities.

We must oppose the Administration proposal to strike out low-rent public housing from the definition of Federal property.

PAYMENTS

Existing law provides for payments under the so-called "tier system" which has had the effect of guaranteeing payments on at least a portion of each entitlement. It has also prevented the use of appropriation bills to alter the authorizing law.

The Adminstration is proposing that the payments section be return to the old "pro rata" reduction of payments method when appropriations are insufficient to satisfy all entitlements. This proposal would return us to the stable situation which nearly killed the program in the past and make the program subject to alteration by appropriations act. We therefore, must oppose the change in the payments section.

CONCLUSION

In short, the Administration's proposals for Impact Aid reduction endangers the financial life of schools and seriously impairs the quality and range of education services to our country's children.

We realize that Impact Aid is not popular in the Washington bureaucracy; but Impact Aid gives to many of the receipient school districts the means of fiscal survival. We can not accept anything less. Our position is clear. We will continue to struggle to have the Federal government live up to its commitment to help schools bear the burden of delivering quality education to our children.

Chairman PERKINS. Our next witness is Mr. Aims C. McGuinness, coordinator of Federal relations.

STATEMENT OF AIMS C. McGUINNESS, COORDINATOR OF FEDERAL RELATIONS, EDUCATION COMMISSION OF THE STATES

Mr. McGUINNESS. Thank you, Mr. Chairman. I won't repeat any of the testimony, but I have two or three points to make which I will make quickly.

There were three elements to the statement presented by ECS to the committee in September. No. 1: Urging more funds for schools with high concentrations of disadvantaged children, particularly in urban areas and isolated areas.

No. 2: Basic recommendations for coordinating title I programs with State programs.

No. 3: Urging changes to increase flexibility at the local level.

I would like to concentrate on the second item—coordination of title I programs with State programs—but in passing, I should emphasize we are extremely pleased with the provisions of the administration's proposals, especially on the concentration of schools with high numbers of disadvantaged children.

The administration's proposals propose a new incentive program for States with State compensatory programs. Before commenting on that proposal, I would like to make one very strong point.

The work of the Lawyers' Committee for Civil Rights Under Law has been extremely helpful in understanding the relationship between title I and State programs and the bill which you have introduced, H.R. 10891, should include at least six corrections which are essential to the relationship between State programs and title I.

I have listed those in my testimony and urge that whatever bill emerges from the committee, ECS is committed to assisting you in any way it can in the development of this legislation. I believe one of the previous witnesses included a reference to the greatest incentive to States for developing their own programs, is a clearly effective working title I.

The Lawyers' Committee recommended a development of the provisions that were unclear, so people could understand how to accept, not supplement, title I, but develop the programs in relation to title I.

I believe the States, with those changes made to increase the clarity of title I, would be as much, if not more, incentive for States to develop their own programs as any additional incentive program.

Second: With respect to the incentive program, the Education Commission of the States recommend there be an incentive program. The proposal which the administration makes, moves in the direction of what we recommend, but it has a number of specific problems which will limit the number of States that did participate and have a negative effect to serve the educationally disadvantaged children.

In my prepared statement, I include four specific recommendations for modification of the administration's proposal which would make it simpler to operate, require less paperwork, include more

States, and in the end continue to serve the primary purpose of the administration's program; that is, to encourage the States to put a greater proportion of the State dollar in the schools which are eligible for title I.

With that, Mr. Chairman, I will conclude my remarks.

Chairman PERKINS. Thank you very much, Mr. McGuinness.

[Mr. McGuinness' full written statement follows:]

Education Commission of the States
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TESTIMONY BY

AIMS C. McGUINNESS, JR.,

COORDINATOR OF FEDERAL RELATIONS

EDUCATION COMMISSION OF THE STATES
ON

REAUTHORIZATION OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

BEFORE THE SUBCOMMITTEE OF ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

U.S. HOUSE OF REPRESENTATIVES

MONDAY, MARCH 6, 1978

ON BEHALF OF

EDUCATION COMMISSION OF THE STATES

Mr. Chairman, Members of the Subcommittee

I am Aims C. McGuinness, Jr., Coordinator of Federal Relations for the Education Commission of the States (ECS) and I am testifying on behalf of ECS. ECS is a compact among 46 states, the Virgin Islands and Puerto Rico, formed in 1966 through the leadership of the late James Bryant Conant and former North Carolina Governor Terry Sanford. A basic purpose of ECS is to address the education problems of the nation through the coordinated action of the member states. Improving the effectiveness of the working relationship between federal and state programs is a basic objective and high priority for the Commission.

ECS greatly appreciates the opportunity to present testimony to this subcommittee prior to the beginning of mark-up of a bill to amend and extend the Elementary and Secondary Education Act. On September 26, 1977, Pennsylvania State Senator Jeanette Reibman, who chairs the ECS Policy Committee, testified before this subcommittee on behalf of ECS. My testimony this afternoon is based on the positions stated by Senator Reibman and on the policy positions adopted at the ECS Annual Meeting in June 1977.

My remarks this afternoon will relate primarily to the Administration's bill and to H.R. 10891, a bill prepared by the Lawyers' Committee for Civil Rights Under Law to clarify and strengthen the provisions of Title I of the Elementary and Secondary Education Act.

Let me begin by indicating that the Education Commission of the States is extremely pleased that President Carter has set forth as a basic theme for his proposals the forging of a new federal-state partnership in education. Since the Elementary and Secondary Education Act was enacted in 1965, the states have moved to establish compensatory education and special education programs that address national education priorities. While the nature and extent of state programs vary greatly from state to state in relation to varying needs, resources and priorities, it can be said today perhaps more clearly than it could have been thirteen years ago that the states have made a major commitment to ensuring access and equal educational opportunity for disadvantaged, handicapped, language limited, and minority students. Although the federal government has made substantial increases in spending for elementary and secondary education in recent years (and will clearly continue to do so on the strength of the President's budget for FY 79), 91 percent of the support for elementary and secondary education continues to be provided from state and local sources. State governments are picking up an increasing share of the costs (35 percent in 1969 and 43 percent in 1977).

Because of the relatively limited federal role in financing elementary and secondary education, federal programs must be designed to complement and build upon existing state and local efforts and to provide incentives for states to address national priorities. As Secretary Califano said in his briefing of the President on the ESEA proposals,

> Federal/State relations have been hampered by the adoption of a "worse case" approach which predicates rules and regulations on the assumption that if State and local administrators can do something bad, they will. This needlessly penalizes States whose programs are fully congruent with Federal priorities. (Califano Memorandum to President Carter, December 6, 1977, p.10)

Several of the Administration's proposals would greatly improve the coordination of federal and state programs and would increase the recognition and encouragement of state efforts by the federal government.

The Administration's proposals on Title I, ESEA and the Lawyers' Committee bill, H.R. 10891, respond directly to several of the concerns and recommendations in Senator Reibman's testimony and the ECS policy position.

Schools with High Concentrations of Disadvantaged Children

The ECS policy statement recommended that Title I be amended to give states authority to allocate Title I funds within the state to the schools with the highest concentrations determined by a ranking of schools with concentrations above the statewide average. Recognizing that reallocating the existing basic Title I funding would result in substantial disruption and denial of needed services to some children, ECS recommended that a new program be established aimed specifically at schools with high concentrations of disadvantaged children. Under either alternative, the effect would have been to put additional funds in urban and isolated rural schools. Both alternatives would place responsibility on the states for within-state distribution, and neither would result in changes in the distribution of Title I funds among states.

ECS is extremely pleased that the problems of schools with high concentrations of disadvantaged children are addressed in the Administration's proposals, even though the specific approach taken by the Administration differs from that recommended by ECS (Proposed Title I, Part C - Special Grants for Local Educational Agencies with Especially High Concentrations of Children from Low-Income Families).

Although we have not made a comprehensive analysis of the Administration's proposal, it appears to be an effective approach to putting substantial additional Title I funding in the same districts and schools that would have received additional funding under the ECS proposal. One concern, however, raised by states with whom we have discussed the proposal is that, unless the law requires that the ratio between funding of the proposed Part C and the existing Part A of Title I be maintained, the political pressure for increased funding of Part A may decrease. In effect, without this safeguard the districts benefiting from the new Part C would urge that most of the increases in Title I funding be put in that program rather than the basic program. An alternative to address this problem would be to require that beginning in fiscal year 1980, the ratio between funding for Part C and Part A in that fiscal year be maintained for subsequent fiscal years.

Because of the effect of the proposed Part C on allocation of Title I funds among states, the proposal has been discussed as a temporary alternative to a change in the Title I formula pending the availability of data from the 1980 census. This tends to blur the emphasis, as stated in the ECS testimony, on the anomolies of the current within-state distribution of Title I funds and on the peculiar problems of schools with high concentrations of disadvantaged children. We would hope that these other points would not be lost in the debate about the distribution of Title I funds among states.

Coordination of Title I and State Compensatory Education Programs

The ECS policy statement places a major emphasis on the need to modify Title I to eliminate provisions which discourage states from developing state compensatory education programs or which inhibit the coordination of state and federal programs at the state and local levels. ECS also recommended that a new incentive program be enacted to provide additional assistance to states with their own compensatory education programs.

The work of the Lawyers' Committee supported by the National Institute of Education on the legal framework for Title I has contributed greatly to the understanding of the possibilities provided by current law and the areas where changes in law or regulations may be necessary. In its report, _A Description and Analysis of the Relationship Between Title I, ESEA and Selected State Compensatory Education Programs_, the Lawyers' Committee came to three basic conclusions:

(1) The basic problems concerning restrictiveness of the Title I legal framework were successfully solved by the Education Amendments of 1974. The present legal framework does not interfere with implementation of State Compensatory Education

> Programs (with exceptions noted in the paper). States and LEAs have substantial flexibility in the design and implementation of their own programs without conflicting with any of the Title I requirements;
>
> (2) The language of the legal framework does not take into consideration the needs of its audience - as a result several state and local coordinators did not understand the full range of acceptable and unacceptable practices under Title I.

The Lawyers' Committee report continues by pointing out:

> The formal federal legal framework (the statute and regulations) does not explain with sufficient clarity the range of acceptable and unacceptable practices and policies which LEAs receiving State Compensatory Education funds may pursue...
>
> The lack of clarity in the regulations and OE's failure to widely disseminate its clarifying interpretations has not encouraged flexibility in the coordination of Title I and State Compensatory Education programs.

While ECS recommended that an incentive program for state compensatory education programs be established, the most important action the federal government should take to encourage the development of such programs is to clarify and simplify the Title I statute and regulations. Without certain changes in the statute and regulations, the potential impact of a new incentive program will be lost and the reaction from the states will be extremely negative.

The Lawyers' Committee report quoted earlier makes a basic erroneous assumption: that coordinators of Title I and state compensatory education programs are the primary audience for information about the possibilities for coordination of Title I and state programs. The most important audience is not these coordinators but the people in state legislatures, governors' offices and the chief state school officers and state board members who have the responsibility for formulating policies for the states. A number of the states that have enacted state compensatory education programs have invested years of staff time and thousands of dollars of legal assistance to unravel the Title I requirements. Few states either would have or could have devoted the time and effort that California invested in resolving the problems related to Alexander v. Califano, the Richmond, California case.

The Lawyers' Committee bill, as I will illustrate briefly, includes a number of provisions designed specifically to clarify ambiguities in the current Title I statute which inhibit flexibility in the use of State and local compensatory education funds in relationship to Title I. Nevertheless, the bill presents a major dilemma: by enacting into statute many provisions, such as those on designation of attendance areas, which are currently in regulation, the bill would increase the detail and complexity of the Title I statute and restrict the flexibility of the implementation by the Administration. Even more basically, the bill is predicated on the belief that more detailed rather than less detailed prescription by the federal government about what can and cannot be done by states and local educational agencies will lead to more effective operation of Title I. Therefore, while the Lawyers' Committee bill makes a number of important modifications that are substantively in line with the ECS policy positions, the bill runs directly counter to the ECS position that federal laws should be greatly simplified, that the laws should emphasize accountability of states for results rather than for compliance with detailed procedural requirements and that the federal paperwork burden created by detailed reporting requirements should be reduced.

Examples of provisions important for increasing the flexibility in the use of state and local compensatory education funds are as follows (ECS recommended changes, if any, are included in brakets):

(1) Section 32, Designating School Attendance Areas, especially subsection (e), Skipping Higher Ranked School Attendance Areas or Schools Receiving Services of the Same Nature and scope from Non-Federal Sources. [ECS recommends that the words "non-federal sources" be changed to "other sources" to conform with present regulations and to make

it possible to skip school attendance areas fully served because of the availability of funding from other federal programs.]

(2) Section 33, Children Served, especially subsection (d) related to skipping children. [The same change regarding "non-federal sources" as recommended for section. 32 is recommended for this subsection.]

(3) Section 36, Funds Allocation, subsection (c), Federal Funds to Supplement, Not Supplant Regular Non-Federal Funds; subsection (d), Federal Funds Required to Supplement, Not Supplant Non-Federal Funds for Certain Special State and Local ProGrams. [No recommended changes]

(4) Section 36, subsection (a), paragraph two, which indicates that if an LEA carried on a single compensatory education program paid for out of funds under Title I as well as State and local funds meeting the requirements of Title I, the SEA need not require that these funds be accounted for separately. [This paragraph should be modified to make clear that it is at the SEAs option not to account separately simply because states may still require a separate accounting of state funds.]

(5) Section 41, Exclusions from Excess Cost and Comparability Provisions for Certain State and Local Programs. [ECS recommends that the "mini-comparability" requirement in subsection (c) be deleted. Also, while the provisions related to exemption of State Phase-In Programs (subsection (d) is desirable, as written it would apply only to the State of California and even for that state the time limitations would be unacceptable. A number of states have phase-in programs designed to improve the quality of education or to institute new programs and the provision should be modified to increase the chances that they could be exempted.]

(6) Section 42, Limited Exemption to Supplement, Not Supplant Requirement Where Certain Special Programs... Are Fully Funded. [This provision relates to the combination of Title I funding and state and local funding reaching the level of full authorization for Title I as applicable to a given school attendance area.]

In section 137, the Lawyers' Committee bill requires a policy manual to increase the effectiveness of dissemination of the requirements of the program. Following the recommendations from the Lawyers' Committee study for the National Institute of Education, there is clearly a need for improved dissemination of program requirements. Nevertheless, the requirements in section 137 are so detailed that it is unlikely that the resulting policy manual will result in better dissemination of information to state policy makers about the requirements related to state compensatory education programs.

We urge that the committee give serious consideration to the provisions of H.R. 10891 intended to clarify the statute, expecially as it relates to state programs. Nevertheless, we also urge that the committee add to the statute itself only that language which is absolutely necessary to achieve that clarification. ECS strongly opposes efforts to write into the statute provisions which should clearly be in the regulations.

ECS strongly supports efforts to enact a new incentive program for state compensatory education programs. Nevertheless, the Administration's proposal (section 101(f) of the bill creating a new Part B of Title I) presents a number of problems which must be addressed before it can receive our endorsement. To reiterate a point made earlier, without changes in the basic Title I program to increase the flexibility for states and local educational agencies in coordination of programs with Title I, the new incentive proposal's impact will be significantly reduced and the reaction from the states could be quite negative.

In reviewing the Administration's proposal with states, we have found a strong reaction against the idea of a new program designed to "leverage" state compensatory education dollars in a manner which could distort the basic objectives of existing state programs. While the states are generally supportive of continued allocation of funds to schools on the basis of economic criteria under the basic Title I program, a number have elected to allocate their own state compensatory education funds, either in whole or in part, on the basis of educational rather than economic criteria. A high percentage of the schools receiving assistance under these state programs are also Title I eligible schools but since the criteria for allocating the state funds differs from the criteria for Title I, a percentage of the state dollars does not go to Title I eligible schools. Table I, taken from the appendix to Secretary Califano's testimony before this subcommittee, shows that, although relatively high percentages of state compensatory education dollars go to Title I eligible schools, only in two states does 100 percent of the state funding go to Title I eligible schools. In Texas it is estimated that 95 percent of the funds go to Title I eligible schools.

Since the Administration's proposal ties the number of federal matching dollars a state receives (up to a percentage of the state's Title I, Part A allocation) to the number of state compensatory education dollars going to Title I eligible schools, the effect will be to encourage states to put an even larger proportion of their state dollars in Title I eligible schools - a change which runs directly counter to the objectives of some of the state programs.

A further problem presented by the Administration's proposal is that several states (Texas, for example) do not have accounting systems which can show the distribution of state compensatory education funds by Title I eligible school (campus level accounting).

ECS believes that the basic objectives of the Administration's proposal - to encourage states to develop compensatory education programs which, as one consequence, lead to additional funding for Title I eligible schools - can be achieved in a far simpler and less disruptive manner than in the bill presented to this subcommittee. The alternative recommended by ECS is as follows:

(1) Subsection (a) of the proposed section 126 should be reworded to make clear the Administration's intent that state programs qualifying for the matching program may allocate funds to local educational agencies on the basis of either educational or economic criteria. As worded, subsection (a) appears to limit participation to states with programs allocating compensatory education funds only to "areas with high concentrations of children from low-income families."

(2) Paragraph (3) of the proposed subsection 126(b) should be reworded to make clear that the requirement in the paragraph is that the state program be evaluated. The reference to "paragraph (2) of section 141(c)" should be deleted since that paragraph has little meaning for purposes of determining the eligibility of a state program for matching.

(3) The proposed subsection 127(a) should be amended by striking the words at the end of the subsection, "...in school attendance areas having high concentrations of children from low-income families." The effect of this change would be to change the matching to be 50 percent of all the state compensatory education funding meeting the conditions set forth in subsection 126(b). The amount of federal matching funding a state could receive would be either 50 percent of the state funding for compensatory education or the percentage of the state's Title I, Part A allocation set forth in subsection 128(b), whichever is less.

(4) A new requirement would be added to subsection 126(b) that for a state compensatory education program to qualify for matching, not less than 50 percent of the funds under the program should be going to Title I eligible schools. The effect of this threshold would be to safeguard a basic federal interest in the matching provision: to encourage states to put additional compensatory education funds in Title I eligible schools. At the same time, the threshold (as opposed to direct matching of state funds going to Title I eligible schools) would not have the effect of "leveraging" state funds to schools with high concentrations of children from low-income families. Because of the "supplement and not supplant" and "equitably provided" requirements of the basic Title I program, states are prohibited from discriminating against Title I eligible schools or children in the allocation of state compensatory education dollars. For this reason and because of the relatively high correlation on a school level between education achievement and income criteria, the federal government can be assured that a high percentage of the state dollars matched under the new program (amended as recommended) would, in fact, go to Title I eligible schools.

The effect of the proposed amendment to the Administration's proposal would be to simplify the program, reduce the paperwork requirements (the need to account for state dollars actually going to each Title I eligible school) and eliminate the potential "leveraging" impact of the program on state programs currently based primarily on educational rather than economic criteria. Even though the state funds matched under the program would include all state compensatory education funds (whether or not they went to Title I eligible schools), the cost of the program to the federal government would be contained by the ceiling of a percent of Title I, Part A funding going to the state. For the twelve states listed in Table I, the cost to the federal government in FY 1980 (based on the figures in the Table for FY 79 and FY 78) would be approximately $58 million.

This ECS recommendation does not address the problems of states such as Pennsylvania or Minnesota which do not require that state funds be used for supplemental, compensatory education programs at the district and school level. These and the other states listed at the bottom of Table I fail to meet one or more of the criteria set forth in the proposed subsection 126(b). Because these states put substantial sums into Title I eligible schools (even though not necessary for supplemental, special programs), they are clearly providing substantial additional resources for Title I eligible children. For this reason, there is a strong argument to modify the basic criteria for eligibility of a state program for the federal matching. Another alternative would be to permit individual local educational agencies in those states to agree to conform to the criteria in subsection 126(b). Then, the federal matching could be based on the aggregate state and local compensatory education dollars in LEAs in the state that agree to the conditions. Only the qualifying LEAs would benefit from the additional Title I allocations resulting from the matching program.

Increased Flexibility at the Local Level to Serve Educationally Disadvantaged Children

Both the Lawyers' Committee bill, H.R. 10891, and the Administration's bill include provisions responsive to the positions in the ECS policy statement regarding the need for increased flexibility for local educational agencies to serve educationally disadvantaged children.

February 28, 1978

STATE COMPENSATORY PROGRAMS
ELIGIBLE FOR TITLE I MATCH - FY 1979*

			PRELIMINARY ESTIMATES:	
STATE	TITLE I PART A FY 79 (CARTER REQUEST) ($ MILLIONS)	STATE COMPENSATORY FUNDS (FY 78) ($ MILLIONS)	PERCENTAGE OF FUNDS SPENT IN TITLE I SCHOOLS	FUNDS ELIGIBLE FOR MATCH ($ MILLIONS)
California	209.7	118.6	87	17.5**
Connecticut	26.1	7.0	60	2.1**
Florida	81.4	10.2	5	0.3
Georgia	73.1	12.7	63	4.0
Maryland	44.9	8.2	100	3.7**
Michigan	114.3	28.0	60-70	8.4
New Jersey	79.3	69.5	80	6.6**
New York	290.6	140.3	70	24.2**
Ohio	79.3	66.0	50	6.6**
Rhode Island	9.5	2.0	100	0.8**
Utah	7.7	0.9	35-40	092
Texas	144.7	25.4	95	12.0
			Total:	$87.5

Source: Preliminary estimates from Survey of State Compensatory Programs by Education Commission of the States.

* States with compensatory programs which are currently ineligible for the Federal match are Minnesota ($45.5 million), Nebraska ($.6 million), Pennsylvania ($100 million), Oregon ($1.5 million), Washington ($5.0 million), and Wisconsin ($1.3 million).

** Ceiling amount (5 percent of total Title I authorization) applies in these States.

The ECS policy statement urges that Title I be amended to eliminate the incentives for "pull out" of children from the regular classroom except when justified for educational reasons. The statement recommends that in schools with exceptionally high concentrations of disadvantaged children Title I funds should be available for upgrading the instructional programs for the whole school rather than exclusively for Title I students. The ECS testimony emphasizes, however, that participating schools should provide assurances that the students with the greatest needs are being served.

Both the Lawyers' Committee bill and the Administration's bill include provisions which respond to the ECS concerns. The proposed section 43 in H.R. 10891 relates to schools and grade-spans having 80 percent or more children in average daily attendance who are educationally deprived. With the approval of the Title I school advisory council, the school may use Title I funds for programs and projects designed to meet the special educational needs of all children within the schools or grade spans. Funds can be used only for excess costs. The bill sets forth several additional detailed requirements including development of a comprehensive school level plan by the local educational agency.

The proposed section 1418 of the Administration's bill authorizes a school in a Title I eligible attendance area to use Title I funds to upgrade the entire educational program if "not less than 80 per centum of the children are from low-income families (in accordance with criteria established by the Commissioner)." The bill includes several conditions the school must meet including a requirement for a school plan approved by the Title I advisory council and a condition that the "average per pupil amount of Federal and State compensatory education funds available to carry out the plan is at least 32 per centum of the average per pupil expenditure in that local educational agency."

While the Lawyers' Committee and Administration proposals are aimed at essentially the same problem, they differ in significant ways. Both have features which respond to the ECS policy position. After further analysis of the proposals, ECS will make suggestions to the committee on which provisions from both bills appear to be most desirable.

A second issue addressed by both the Lawyers' Committee bill and the Administration's bill is the situation in which the combined state and local funding for compensatory education and Title I funding in a local educational agency equals or exceeds the maximum amount that the agency would receive under Title I if the program were fully funded. Both bills authorize local education agencies meeting these conditions to use Title I funds to meet the needs of educationally deprived children in schools outside Title I attendance areas. In other words, the bills would authorize exemption from the supplement, not supplant requirement and the comparability and excess costs provisions.

And finally, the Administration's bill, and not the Lawyers' Committee bill would permit school districts to serve any school or attendance area in which at least 20 percent of the children are from low income families, provided that the total amount of Title I funds and funds provided under similar state compensatory education programs available to the district equals or exceeds 80 percent of the district's maximum entitlement under Title I, Part A, and that the areas previously served by Title I continue to receive at least the same amount of assistance as they received in previous years.

Each of the provisions just mentioned would increase the flexibility for local educational agencies to serve educationally deprived children who are presently not served because of Title I restrictions. The provisions would also increase the flexibility for districts in the combination of federal and state funds to serve additional needy children. For these reasons, the provisions are strongly supported by ECS.

As a general point, simplification and clarification of provisions of Title I relating to designation of attendance areas, selection of eligivle children and the supplement, not supplant and comparability provisions would greatly increase the opportunities for local educational agencies to make effective use of all available resources - federal, state and local - to serve educationally deprived children.

Summary and Conclusion

This testimony has focused on those provisions in the Administration's bill and in H.R. 10891, a bill prepared by the Lawyers' Committee for Civil Rights Under the Law, that respond to the ECS policy positions regarding improved coordination between federal and state programs and federal encouragement of state programs aimed at federal objectives. ECS is extremely pleased with President Carter's commitment to improved federal/state relations in education. At the same time, we believe that the work of the Lawyers' Committee on the relationship between Title I and state and local compensatory education programs has brought to light the flexibility for states and local education agencies afforded by current law and the specific changes which need to be made if that flexibility is to be increased.

The testimony has commented on provisions in the two bills aimed at three general issues addressed in the ECS policy statement on Title I, ESEA -

- the need for increased funding for schools with high concentrations of disadvantaged children;
- the need for improved coordination between Title I and state compensatory education programs and for establishment of a new incentive program for development of such state programs;
- the need for modifications in Title I to increase the flexibility for local educational agencies to serve educationally disadvantaged children.

Suggestions for amendments to important provisions in the two bills are made, especially with respect to the Administration's proposed incentive program for state compensatory education programs.

I have not commented on a number of the provisions in both the Administration's bill and H.R. 10891. Also, other bills before this subcommittee have provisions of importance to the states. After we have had a chance to analyze these other provisions more thoroughly, we will submit reactions and suggestions to the subcommittee.

ECS greatly appreciates the opportunity to present testimony to this subcommittee. You face an extraordinary task in the coming weeks as you work to develop a comprehensive bill to reauthorize and extend the Elementary and Secondary Education Act. The bills you have before the committee provide an excellent start toward what could be one of the most important pieces of education legislation enacted in recent years. ECS is committed to assisting you in any way it can in the development of this legislation.

We especially appreciate your leadership, Mr. Chairman, and that of other members of this subcommittee, in the development of the outstanding federal programs such as Title I, ESEA which have assisted in eliminating barriers to access and equal opportunity in education for millions of children throughout the nation.

Chairman **Perkins.** Mrs. McNamara, we will hear from you now.

STATEMENT OF MRS. ROBERT S. McNAMARA, CHAIRMAN, READING IS FUNDAMENTAL, INC.

Mrs. **McNamara.** Thank you, Mr. Chairman, for the opportunity of testifying before this important subcommittee. I would like to introduce Ms. Ruth Graves, who is our executive national director of Reading Is Fundamental.

With the bipartisan support, the Congress created the Inexpensive Book Distribution Program for Reading Motivation. In December 1975, it appropriated funds for the program. In 1976, the Office of Education awarded Reading Is Fundamental the contract to operate this program.

Because of the bureaucratic delay, the program has been only in operation a little over a year. However, in that year it has been widely acclaimed both publicly and privately at all levels. We are particularly shocked to find it had not been included in the administration's proposal for legislation for fiscal 1979 and 1980.

We are requesting the Congress to restore this program specifically by name—a Reading Motivational Program by Inexpensive Distribution of Books in the forthcoming education amendments. We feel that Congress should write it into the law, defining how it should operate rather than leaving it unstated, and the decision should not be left to whoever might be in office during the time this legislation will be in effect.

I would like to ask Ruth to continue this very brief statement with our amendments.

Ms. **Graves.** Thank you, Mr. Chairman. You have been very patient and attentive. Our testimony which we have submitted for the record outlines in some detail what we are proposing, but essentially what we are asking is that the Congress reinstate this program into the administration's education bill.

It having received wide support over the country over the last year with more than 40,000 volunteers turning up to work in the program— 15,000 of them were parents—and more than 2,000 local businesses and other groups contributing funds and services to the program.

We have a very small program here in terms of dollars, and as Commissioner Boyer pointed out, it is often very easy to overlook the small program, but what the Government is getting for this small investment is widespread support of a Federal program and it is getting children into reading, from the reports we get back from the program and we find it is getting a dollar value from $4 to every $100 the Government invests. We have found in our year of operating this program, essentially we have only two problems with it.

They are not included in the administration's proposal and that is, it has a requirement for 50 percent matching funds for the cost of books. I would like to point out we fund no local programs, for office staffs or anything other than for actually one-half the cost of books. We are finding that with the need, for them to not only raise the money for the books but to raise all the costs of supporting the program, that we are precluding a lot of low-income areas that can probably use the program most.

We are finding with the requirement for matching funds we are virtually eliminating any services to migrant and farmworkers who, because they move from community to community, are not essentially members of any community and, therefore, the local funds simply are not forthcoming and, therefore, we are asking three things of this committee.

First: To restore the program into the Education Amendments of 1978, which authorizes programs for 1980 through 1983. We are asking this program permit a 75-percent Federal share so we can reach into low-income areas.

This 75 percent would be used solely for the purpose of books and that for migrant programs, migrant seasonal farmworkers, recommend this program follow the President's other programs which fund 100 percent of migrant and seasonal workers.

Thank you very much.

Mrs. McNamara. I am very happy to say Kentucky has been one of our very active States of which 9,000 youngsters have received over 64,000 books in this last year and your specific district 7 has about half those children.

Chairman Perkins. Thank you very much.

[Mrs. McNamara's full written statement follows:]

Statement for the Record

by

Mrs. Robert S. McNamara, Chairman
READING IS FUNDAMENTAL, INC.

for the

Subcommittee on Elementary, Secondary and Vocational Education
House Committee on Education and Labor

Regarding

H.R. 15 and the Educational Amendments of 1978

March 6, 1978

Reading Is Fundamental, Inc.
Statement for the Record
HR-15 and Educational Amendments of 1978

The Administration's Education Amendments of 1978 are a giant step backward for the nearly 40,000 volunteers and more than a million children who are presently benefitting from the Inexpensive Book Distribution Program and the children who have not benefitted but need to.

It eliminates from the law a program that Congress with bipartisan support mandated in 1975 and which has been praised by the Secretary of Health, Education and Welfare, the U.S. Commissioner of Education, and a variety of educators at all levels across the country.

With bipartisan sponsorship and support, the Congress created the Inexpensive Book Distribution Program for Reading Motivation, wrote it into law, and defined the terms under which it would operate. The Administration proposal leaves it entirely up to whomever is the Secretary as to how to operate the program, or in fact, whether to operate it at all. Secretary Califano has stated that as long as he is Secretary of HEW, the program will continue. In my opinion, it should be written into the law as other programs are and not left solely to the discretion of the Secretary of HEW.

Congress now has the opportunity to decide whether it wishes to continue the program which it created and to decide the terms under which it will operate.

Time and time again this Committee has heard the alarming figures on the numbers of our citizens who cannot read--that 23 million Americans could not read a want ad, that 12% of our nation's 17-year-olds were functionally illiterate, and on and on. And you have heard how vital it is to involve parents in the education of their children, to involve the community at large in supporting educational programs, and above all, how important it is to motivate children to read and learn.

As one means for addressing these concerns, the Congress created a simple, workable program--the Inexpensive Book Distribution Program for Reading Motivation--which permits entire communities to mobilize, at a very small cost to the government, to make readers of their children.

Reading Is Fundamental (RIF) was awarded a contract by the Office of Education to operate this program. Under the terms of this contract, RIF subcontracts with local public and private groups to operate reading motivation projects and matches local private funds with Federal funds for the purchase of books.

Due to governmental delays beyond RIF's control, we were not able to begin signing subcontracts until mid-February of 1977.

Yet as of January 31, 1978--in less than a year's time--RIF has signed 1,133 subcontracts for local projects operating in the 50 States and the Virgin Islands. We are also presently developing a program in Puerto Rico.

These projects will serve more than 1.2 million children with more than 5 million books. That represents a fivefold increase over the number of books distributed in the year prior to Federal funding, for in the year before the Federal funds became available RIF projects distributed only a little over a million books.

Daily the numbers of projects, and thus the numbers of children served and the books they receive, are increasing. RIF is receiving proposals from local groups at the rate of 200 to 250 per month. Without question there is an enthusiasm and a demand for this program at the grassroots level.

A most important fact, often overlooked, about this program is that it is NOT simply a book giveaway program. Rather, each local project does and must have an ongoing series of activities related to reading. The purpose of these activities is to open the world of reading--its joys and its importance--to the children, and in the process make it possible for them to have books of their own.

Nearly 40,000 citizens from all walks of life give of their time and resources to these activities. Perhaps one of the most valuable parts of the program is that nearly 15,000 of these volunteers are parents of the children served.

But the program extends beyond those individuals actually operating the projects. The program seems to enjoy extraordinary community acceptance. Some 2,000 local businesses, service clubs, local governments, churches, community organizations, parent groups, educational associations and others are supporting the local projects with funds and services.

Although the program is relatively new, the local projects are already reporting that it is making a significant impact on the reading habits of their children: that children who either could not or would not read are now doing so; that parents are reading at home with their children for the first time; that there are now books in homes where none existed before; and that children are diverting their allowances from gum and candy to books.

The acceptance and acclaim for the program goes beyond the local level. It has been publicly endorsed by such organizations as the National Association of Elementary School Principals, the International Reading Association, the American Library Association Children's Services Division, and others. A number of mayors have issued proclamations applauding the program. The Secretary of HEW, the Commissioner of Education, Mrs. Joan Mondale, and a number of state school officials have supported the program in public letters.

The comment of the Illinois State Superintendent of Education is typical:

> "In the elementary schools, we are trying to promote the importance of learning and how it improves the quality of life. Reading is Fundamental (RIF) is an excellent program which encompasses these goals and increases a child's motivation to learn.
>
> "The program also involves parents and community groups, which creates a positive partnership with the schools. This joint effort is beneficial to all...."

One of the major reasons, in addition to its success in reaching children, for the widespread acceptance of this program is its simplicity. Any local group dedicated to making readers of its children can operate a project, designed to fit the children in its community. There are no long bureaucratic forms to fill out; there are no complicated financial records to keep; there are no surveys to take. Reading Is Fundamental has absorbed the governmental red tape, leaving the local projects free to concentrate on reaching their children. Once the subcontract is signed, the local project selects its own books, orders its own books, and sends its share of the payment for the books to RIF. No further bookkeeping is involved. Reading Is Fundamental handles the rest of the paperwork.

Time after time project operators have commented, with amazement, at the simplicity of running this program. A Director of Elementary Education for a school district in Pennsylvania wrote:

> "Having been involved in applications for and administration of various Federal programs for quite a few years, I would like to commend you for the efficiency and thoroughness in which your particular program is conducted . . . You completely shattered my concept of Washingtonia when one of your staff contacted me for information at my home at 8 p.m.--on a Friday evening."

A librarian from Texas wrote:

> "We discovered that RIF knows how to eliminate most of the hassle usually associated with grant applications."

While eliminating the paperwork for the local projects, Reading Is Fundamental has at the same time taken special precautions to protect the integrity of the Federal funds. For instance, we have had Certified Public Accountants examine our systems to insure accountability and safeguards for the funds.

And even though RIF is a private nonprofit organization not required to follow government standards, at our own expense we had a personnel classification specialist with 30 years Federal government experience audit our salary schedule to assure they were in line with Federal pay scales.

In short, our goal is to show that it is possible to operate a successful, effective, nationwide Federal program, without red tape, with a relatively small staff, and still insure the effective and proper use of Federal funds.

RIF complements the Federal program with activities funded by private funds. At no cost to the government, RIF has produced training aids for project volunteers, produced a public service ad for which radio and TV stations donate air time and publications donate space, and provided other services and materials to programs.

In our year of operating this program, we have found only two problems with it. First of these is the difficulty of the local projects in raising the matching funds. Unlike other Federal programs, this one provides no funds to the local groups for staff, supplies or other costs of operating the program--they are allocated Federal funds solely for the purchase of books. As a result, for every dollar a local project raises for books, it must raise almost another $2.00 for direct project costs and inkind services to operate the program. This works a particular hardship in low income areas where a program of this type would be so valuable.

The second problem is that the program, with its requirement for local matching funds, virtually eliminates one group of children who perhaps most need the program: the children of migrant farm workers. Although American citizens, they are citizens of no local community, and thus simply do not have the community funds available to them.

To remedy the first problem we propose that the local matching share be reduced from 50% to 25%. And to enable the program to reach farm worker children, we recommend that this program follow other Federal programs for migrant and seasonal farm workers with 100% funding.

In conclusion, we strongly urge the Congress to reinstate the Federal Inexpensive Book Distribution Program, which has been widely acclaimed and successful, and to make it possible for this program to reach children it cannot now touch.

Chairman Perkins. Our next witness is Dr. John Alden, executive director, National School Volunteers Programs, Inc.

STATEMENT OF JOHN ALDEN, EXECUTIVE DIRECTOR, NATIONAL SCHOOL VOLUNTEERS PROGRAMS, INC.

Dr. Alden. I will also be brief. I will remind you that the National School Volunteers Program is now in its second year. Since it has established headquarters in Alexandria, it has represented over 800 school districts of the country and has grown from 400 members to 1,500.

Over 90 percent of the Nation's larger school districts are members of our organization and we represent all 48 States with that backdrop about the tremendous expansion and the interests of voluntary participation in education, let me point out that our most single concern is the need to enroll volunteers as service deliverers in education.

In our prepared statement, you will note that we have acknowledged the some 6 million Americans' part in education as volunteers. Nearly two-thirds of those individuals, however, participate as deliverers of service. We believe that this kind of service and commitment deserves recognition by the Congress in terms of its main role.

While volunteers in education do a host of things, from serving on advisory commissions, coordinating, planning functions of one kind or another, supervising playgrounds, the bulk of them as best we can tell is involved in the delivery of compensatory education services, explaning the basic skill program, enriching the curriculum in many ways and working with children from non-English-speaking backgrounds.

We bring this to your attention. I would be happy if there is time to provide additional data on the role of volunteers. However, let me suggest if you choose to look at the administration's bill, we are quite pleased with the expanded role for parents and ask that the committee might simply add the language "Parents and Other Volunteers" so that some potentially excluded groups might instead be included.

In my statement, I have acknowledged participation of students, high schools, and colleges as volunteers which is a very substantial portion of volunteers that work successfullly in education.

I would encourage one other point which we made here before you during our career education testimony and that is there is a gross reservoir of talents in this country of persons who can participate in education, not only in the delivery of services but in supporting career education programs and in many other successful ways.

This is a very substantial contribution that citizens make on behalf of skills programs and we think it is now time for this reserve to be recognized in the legislation that comes from this committee.

Thank you.

Chairman Perkins. Thank you very much, Dr. Alden. Your testimony was very clear, concise, and right to the point.

[Dr. Alden's full written statement follows:]

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JOHN W. ALDEN

TESTIMONY OF

JOHN W. ALDEN

EXECUTIVE DIRECTOR

NATIONAL SCHOOL VOLUNTEER PROGRAM, INC.

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

OF THE

HOUSE EDUCATION AND LABOR COMMITTEE

MARCH 6, 1978

National Advisory Council: Gordon MacKay, Chairman; Robert F. Baker; Terrell H. Bell; Helen Bernat; Helen C. Bond; Hon. Thomas Bradley; Urie Bronfenbrenner; Don Davies; Will Davis; Nelson Estes; Katherine Estes; Arthur S. Flemming; Henry L. Freund; Susan R. Greene; Samuel B. Gould; Samuel Halperin; Kitty Carlisle Hart; Joan Holtzman; Sarah H. Howden; Maurice L. Kelly; Owen B. Kiernan; Hon. Mary Conway Kohler; Robert L. Lamborn; Ruth Love; Sidney P. Marland; James O. Plinton, Jr.; Wilson Riles; Joseph Robbie; Paul Sonnabend; Paul A. Wagner

Mr. Chairman and members of the Subcommittee on Elementary, Secondary and Vocational Education:

It is a great privilege to present testimony on behalf of the National School Volunteer Program, Inc. (NSVP), for the reauthorization of federal elementary and secondary education programs. This subcommittee and its distinguished chairman and members have exercised consistent leadership in expanding educational opportunity for Americans of all ages and I know you will receive our recommendations with enthusiasm. NSVP has just completed its Seventh Annual Conference. The event, "School Volunteers: A National Resource," was attended by persons representing school districts throughout the country. Conference participants and general session speakers provided added support for our basic recommendations to this committee.

Six million Americans served as school volunteers this year, assisting teachers to help students in public and private schools. These school volunteers are parents and grandparents, retirees, business employees on released time, high school and college students. They help as tutors in all subject areas, create mini-courses in their areas of expertise, offer opportunities for career exploration and curriculum enrichment, help students with special needs and give teachers extra time to teach. The value of school volunteers' contributions in terms of dollars is enormous, but an even greater contribution lies in the benefits students derive from the extra love, talent and time.

Before I turn to our recommendations, I want to emphasize one general point. NSVP and local school volunteer programs do not exist in order to reduce government's financial responsibility for education. School volunteer programs exist to provide essential enrichment and supplementary assistance to regular education programs.

Recommendations

1. Add language which encourages local education agencies to expand their human resources through organized school volunteer programs. If the administration's bill were taken as the model, this recommendation would only require that wherever parent involvement is encouraged that "parents and other volunteers" be inserted instead.

Rationale:

Federal education programs now provide virtually no recognition of the citizen as a service provider. Yet of the six million active volunteers, two-thirds consider themselves "deliverers of a service." Organized school volunteer programs provide the delivery system through which parents and others become partners in education and share their time and talents. Broadened language would not diminish the emphasis necessarily placed on parents. Instead it would allow schools to recruit persons from the business community, retirees and other older Americans. It will continue to improve highly successful student involvement programs. The following table illustrates the ages of present volunteers. We believe this committee will wish to encourage the inclusion of school volunteers of all ages.

AGE DISTRIBUTION OF VOLUNTEERS IN EDUCATION

14-17	15%
18-24	13%
25-44	52%
45-54	14%
55-64	4%
65 and over	2%

2. Authorize National Center for Educational Statistics to undertake a study to document the size, scope, nature and type of volunteer activities in education.

Rationale:

With a national trend toward expansion of school-community linkages, no comprehensive data base exists. Census Bureau statistics cited herein were collected during Easter week of 1974, hence they substantially understate voluntary activity in education and distort who is involved as school volunteers. More significantly, no questions about volunteer participation will be asked on the 1980 census, thus special studies are the only means by which the government can monitor and encourage a growing national resource.

3. Encourage cooperation and the development of linkages between federal programs designed to improve community involvement.

Rationale:

NSVP is greatly concerned with the prospect of fragmentation of efforts by school systems to reach out to their communities. Federal programs that require community participation should be carefully coordinated. At a recent meeting sponsored by NSVP, ECS, and OE, the following consensus was developed among the 90 representatives from 36 states: Where school volunteer programs exist, all volunteer activity should be coordinated through that formal program. Furthermore, NSVP believes that one of the travesties of our time is the lack of opportunity for significant contributions by our older citizens. We urge the committee to add language which encourages educators to develop cooperative relationships with agencies concerned with older Americans.

4. Encourage state education agencies to provide information and technical assistance to local education agencies on establishing and improving school volunteer programs, particularly to offer training to teachers on the effective involvement of volunteers.

Rationale:

Documented results show increases in children's academic achievement as a result of volunteer involvement. A number of states have encouraged school districts to start or improve school volunteer programs. Representatives of 36 states endorsed the concept of an enlarged state role to create and encourage the growth of school volunteer programs. California, Maryland, Florida, Rhode Island and New Hampshire have committed funds for development of school volunteer programs. Texas, Minnesota, New Jersey, Massachusetts, Virginia and other states have initiated efforts to provide similar encouragement to local communities.

APPENDIX: The Role of the National School Volunteer Program and Local School Volunteer Programs

Six million school volunteers in this country contribute direct services to children which are estimated to be worth nearly a billion dollars a year. But the contributions of these parents, grandparents, retirees, high school and college students, and employees on released time go far beyond their economic value. Administrators tell us that money can't buy what school volunteers give -- improved self esteem, greater motivation to learn and to achieve, less vandalism, less absenteeism, improved behavior, fewer dropouts, to name a few. Volunteers with expertise in a myriad of careers and backgrounds offer enrichment and career exploration. They serve as role models and friends. They have helped to ease the desegregation process by offering their services in classrooms, helping children to feel welcome in new schools, assisting on buses and at collection points, staffing communications networks, and by example, demonstrating bi-racial teamwork.

Many of these volunteers work in organized school volunteer programs which are administered by a district-level school volunteer coordinator. Our organization, the National School Volunteer Program, Inc., is a membership organization which has grown in the past year from 400 members to 1500. About half of our members are volunteer coordinators and members of their staff. About one-fourth are volunteers. Nine percent are school superintendents and other administrators, 12 percent are principals and teachers, and 6 percent represent community organizations such as PTA's, Retired Senior Volunteer Programs, Junior Leagues and the American Association of University Women.

NSVP has members in 48 states, Canada, Guam, Puerto Rico, and in the schools of military families overseas. Our organization represents 92 percent of the 50 largest school systems, 80 percent of the 100 largest school systems, all of the large suburban systems and many rural school districts.

School volunteers expand the learning environment and augment the expertise of paid professional staff by offering specific services. In Worcester, Mass., and in Charleston, S.C., volunteers give one-to-one and small group reinforcement for children who are learning disabled, physically handicapped and mentally retarded. In Houston, Texas, more than 2000 trained volunteers screen 15,000 kindergarten children each fall to pick up problems with vision, hearing, language development, social maturity, gross and fine motor development. Because possible problems are detected early, treatment can begin before patterns of failure and related behavior problems become established. Businessmen and women in Orange County, Fla., last year recorded text books on tape so that high school students who have learning disabilities can listen as they read assignments in complex subject areas. Seventy-eight high school students in Independence, Kans., tutored children with learning problems last year. Some worked with retarded children and earned academic credit while they explored career options. High school students in Boston's Two-Way Tutoring Program tutor younger students in reading, and the tutors themselves, many with low reading scores, have raised their own reading scores an average of 1.2 years for an average six-month period of combined training and tutoring. In New York City, groups of retirees from Bloomingdale's, Gimbel's, two insurance companies and three banks travel as tutorial units to public schools where they work individually with students as math or reading tutors. A company bus provides transportation for one of these groups of retirees. Some 200 businesses in Miami, Fla., provide career exploration through mini-apprenticeship programs for high school students in a program developed by the School Volunteer Program of Greater Miami.

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Chairman PERKINS. Our next witness is Mr. Miguel Romo, executive director, National Congress of Hispanic-American Citizens.

STATEMENT OF A. MIGUEL ROMO, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF HISPANIC-AMERICAN CITIZENS

Mr. ROMO. Thank you again for the opportunity to be heard. My name is A. Miguel Romo, executive director for the Hispanic-American Citizens. I am going to be very brief.

I will review the four pages of testimony. I would hope it could be entered in its entirety in the record.

Chairman PERKINS. Without objection, all the statements of all the witnesses will be entered in their entirety in the record.

Mr. ROMO. I am accompanied today by Dr. F. Richard Hsu, president, China Institute in America; Dr. Alfredo G. De Los Santos, Jr., director, Southwest Educational Development Laboratory; and Mr. Juan D. Solis, director, National Center for Development of Bilingual Curriculum, Dallas, Tex.

Three or four of the major provisions prefaced by this administration relates to title VII of the Elementary and Secondary Education Act.

Again, as you mentioned earlier because of the time limitation, I would hope the recommendations and the points of view in the testimony would be put in the record.

Chairman PERKINS. Of the gentlemen you mentioned, do you want to insert their statements in the record?

Mr. ROMO. Yes, please.

Chairman PERKINS. Without objection, they will be inserted in the record at this point.

[Mr. Hsu's and Mr. de los Santos' full written statements follow:]

TESTIMONY

GIVEN BY ALFREDO G. DE LOS SANTOS JR.

BEFORE

THE HOUSE COMMITTEE ON EDUCATION AND LABOR

MARCH 6, 1978

Mr. Chairman, Ladies and Gentlemen:

I am Alfredo G. de los Santos, Jr., Director of the Division of Bilingual/Multicultural Education at the Southwest Educational Development Laboratory in Austin, Texas. I am a member of the National Advisory Council on Bilingual Education, having served during this past year as Chairman of the committee that has primary responsibility for preparing the Council's annual report on the status of bilingual education. In addition, I served as a member of the Committee on Legislation, the committee responsible for the preparation of the Council's recommendations on the amendments to the current Bilingual Education Act.

Because of the short amount of time available to us, I will briefly summarize some of the highlights of the recommendations made by the Council. For the record, however, we are submitting our version of the amendments in two forms: (1) one form, which we call the "complete" bill, incorporates the proposed amendments with the current legislation and presents them in complete bill form and (2) a version that uses the format normally used in the Congressional processes, which presents the current legislation on one side of the sheet with those sections amended being crossed out and the proposed amendments on the opposite side.

I would like to highlight the changes that the Council considers to be of prime significance and which would provide the much needed support and direction to bilingual education in the nation.

Bureau and Deputy Commissioner. The Council recommends that there be created in the Office of Education a Bureau of Bilingual Education and that this Bureau, to be headed by a Deputy Commissioner of Bilingual Education appointed by the Commissioner, be responsible for coordinating all the bilingual education aspects of other programs administered by the Commissioner.

Research Responsibility. The Council recommends that the Bureau of Bilingual Education carry out a program of research in order to enhance the effectiveness of bilingual education carried out under this title and other programs for persons of limited English language proficiency.

Private and Non-Profit Organizations. The National Advisory Council on Bilingual Education proposes that private and non-profit organizations be included in the carrying out of three aspects of the bilingual education program: (a) bilingual resource programs and (b) technical assistance and coordination programs and (c) research programs.

Advisory Council. We concur with the Administration that the National Advisory Council on Bilingual Education be continued.

Bilingual Education for Indian Students. We recommend aht the Commissioner be authorized to make payments directly to the applicants (instead of to the Secretary of Interior) to carry out programs of bilingual education for Indian students on or near reservations served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

Private School Students. We recommend that provisions be made to provide services to students in non-profit non-public schools attending schools located within the public school attendance area whose educational needs include the same first language and grade levels which the program is intended to meet.

Funding Lev[illegible] The Council is recommending that the level of funds authorized to be appropriated to carry out the bilingual education program be:

1978-79	$200 million
1979-80	250 million
1980-81	300 million
1981-82	350 million
1982-83	400 million

The rationale for our recommendations are included in the Third Annual Report of the National Advisory Council on Bilingual Education, copies of what have been distributed to members of this committee.

TESTIMONY

GIVEN BY F. RICHARD HSU

BEFORE

THE HOUSE COMMITTEE ON EDUCATION AND LABOR

MARCH 6, 1978

Mr. Chairman, Ladies and Gentlemen:

My name is F. Richard Hsu. I reside at 1915 Winding Brook Way, Westfield, New Jersey. I am the President of China Institute in America, a school of continuing education with a history of over 50 years of public service. I am testifying before this sub-Committee today as Chairman of the Committee on Legislation of the National Advisory Council on Bilingual Education.

While the Council considers its mandate "to advise the Secretary of the Department of Health, Education, and Welfare, the Commissioner of Education, the Congress and the President" to be of primary importance in the executions of its duties, the Committee on Legislation has as its primary duty to recommend legislative changes when such recommendations are in order. Therefore, today I am speaking in support of the legislative recommendations of the Council on Title VII of P.L. 93-380. These suggestions of the Council have been presented to the President, the Secretary of HEW, and to the Commissioner of Education. Within the time limit allowed me, it would be impossible for me to read these recommendations, therefore, for your convenience a copy of these recommendations have been presented to you. With your permission I shall call upon a colleague of mine on the National Advisory Council on Bilingual Education to call your attention to the salient points of our recommendations.

FINAL RECOMMENDATIONS, February 1978
NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

TITLE VII-BILINGUAL EDUCATION PROGRAMS

Short Title

Sec. 701. This title may be cited as the "Bilingual Education Act."

Policy; Apropriations

Sec. 702. (a) Recognizing

(1) that there are large numbers of students of limited English language proficiency

(2) that many of such students have a cultural heritage and environment which differs from that of English-speaking persons;

(3) that a primary means by which a student learns is through the use of such student's language and cultural heritage;

(4) that, therefore, large numbers of students of limited English language proficiency have educational needs which can be met by the use of bilingual methods, materials and techniques;

(5) that, in addition, students of limited English language proficiency benefit through the fullest utilization of multiple language and cultural resources.

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all students,

(a) to establish and improve educational programs using bilingual education methods, materials and techniques, and for that purpose provide financial assistance to local educational agencies;

(b) to establish educational training programs using bilingual education methods, materials and techniques, and for that purpose provide financial assistance to institutions of higher education;

(c) to establish educational resource programs using bilingual education methods, materials and techniques, and for that purpose provide financial assistance to institutions of higher education or private and non-profit organizations, or a local education agency;

(d) to establish educational technical assistance and coordination programs for bilingual education methods, materials and techniques and for that purpose provide financial assistance to state education agencies or private and non-profit organizations.

(e) to research, identify, and demonstrate effective ways of providing for students of limited English language proficiency, and for that purpose provide financial assistance to institutions of higher education, or private and non-profit organizations.

702. (b)

For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1979; $250,000,000 for fiscal year ending June 30, 1980; $300,000,000 for fiscal year ending June 30, 1981; $350,000,000 for fiscal year ending June 30, 1982; $400,000,000 for fiscal year ending June 30, 1983.

Definition: Regulations

Sec. 703. (a) The following definitions shall apply to the terms used in this title:

(1) The term "limited English language proficiency," when used with reference to individuals means

(A) individuals whose first language is a language other than English, and

(B) individuals who come from environments where a language other than English is used, as further defined by the Commissioner by regulations; and, by reasons thereof, have difficulty speaking, reading, writing or understanding instruction in the English language.

(2) The term "program of bilingual education" means a program in which there is instruction given in, and study of English and instruction given in the first language of the student of limited English language proficiency in all courses or subjects of study; such instruction shall include an appreciation for the cultural heritage of such students.

(3) The term "Bureau" means the Bureau of Bilingual Education.

(4) The term "Deputy Commissioner" means the Deputy Commissioner of the Bureau of Bilingual Education.

(5) The term "council" means the National Advisory Council on Bilingual Education.

(6) The term "other programs for persons of limited English language proficiency" when used in sections 731 and 732 means any programs within the Office of Education directly involved in bilingual education activities serving persons of limited English language proficiency.

(7) The term "resource person" means persons providing services to teachers and staff of a bilingual education program, to include; training, curriculum development, program evaluation and lesson planning.

PART A-FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

Bilingual Education Basic Programs

Sec. 721. (a) A grant may be made under this section only upon application by one or more local education agency.

(1) funds available for grants under this part shall be used for

the establishment, operation, and improvement of programs of basic bilingual education;

(b) A basic program of bilingual education shall be designed to serve students of limited English language proficiency in elementary or secondary schools; such programs may serve preschool activities which are a part of the elementary bilingual education program and shall include the following:

(1) Instruction given in, and study of, English and instruction given in the first language of the student of limited English language proficiency in all courses or subjects of study; such instruction shall include an appreciation for the cultural heritage of such students throughout the curriculum;

(2) A program of bilingual education shall make provisions for the voluntary enrollment of students whose first language is English, not to exceed the number of participants of limited English language proficiency in a classroom. In determining participants in such programs, priority shall be given to the student whose language is other than English;

(3) Students enrolled in a program of bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with students of approximately the same age and level of educational attainment.

(c) An application for a program of bilingual education shall be developed in consultation with parents, teachers, administrators, and where applicable, secondary school students in the areas to be served. After the application has been approved, assurances shall be given for the participation by an advisory committee predominantly composed of parents of students of limited English-language proficiency participating in the program. The Advisory Committee shall be selected by parents of students participating in the program.

(d) In the case of applications from local education agencies to carry out basic programs of bilingual education, provisions shall be made for auxiliary and supplementary training activities for personnel preparing to participate in or personnel participating in the conduct of such programs. Training activities under this section emphasizing opportunities for career development, advancement and lateral mobility in the field of bilingual education, shall utilize the services of a recognized institution of higher education.

(e) Each such application shall be made to the commissioner at such time, in such manner, and contain such information as the commissioner deems necessary, and include;

(1) a description of the activities set forth in the clauses of subsection (b) and

(2) auxiliary, supplementary and educational community activities designed to facilitate and expand the implementation of programs described in clause (a), including such activities as community education programs related to the purposes of this title, particularly for parents of students participating in programs of bilingual education, and carried out, where appropriate, in coordination with programs assisted under the adult education act.

(f) An application for a grant under this part must provide the following assurances:

(1) the program will use the most qualified personnel and resources which will substantially increase the educational op-

portunities for students of limited English-language proficiency;

(2) provisions shall be made to provide services to students in non-profit non-public schools attending schools located within the public school attendance area whose educational needs include the same first language and grade levels which the program is intended to meet.

(a) Services for which assistance under this section is sought will be administered by and under the supervision of the applicant;

(3) The applicant must set forth a program of such size, scope, quality and design as will make substantial step toward achieving the purpose of this title;

(4) The applicant must assure that federal funds made available be used to supplement the level of funds, and in no case to use such funds for rental of facilities, instructional staff normally required by applicant, equipment and materials normally bought by applicant, which are not related to the needs of the students of limited English-language proficiency that would in the absence of such federal funds, be made available by the applicant.

(5) The state educational agency has been notified of the application and has been given an opportunity to offer its comments to the commissioner.

(b) Documentation, in such form as the commissioner may prescribe, has been included in the application that the applicant prior to submission of said application has held at least one meeting open to the public and that the persons in attendance were afforded the opportunity to comment on the contents of the application.

INDIAN STUDENTS IN SCHOOLS

Sec. 721(b) For the purpose of carrying out programs under this part for individuals served by elementary and secondary schools operated predominantly for Indian students, a nonprofit institution or organization of the Indian tribe which operates any such school and which is approved by the Commissioner for the purposes of this section may be considered to be a local educational agency as such term is used in this title.

(1) From the sums appropriated pursuant to section 702(b), the Commissioner is authorized to make payments to the applicants to carry out programs of bilingual education for Indian students on or near reservations served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs. The terms upon which payments for such purpose may be made to the Bureau of Indian Affairs shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702 (a).

(2) The Commissioner of the Bureau of Indian Affairs shall submit to the Congress and the President an annual report detailing a review and evaluation of the use, during the preceding fiscal year, of all funds paid to him by the Commissioner under this subsection, including complete fiscal reports, a description of the personnel and information paid for in whole or in part with such funds, the allocation of such funds, and the status of all programs funded from such payments. Nothing in this subsection shall be construed to relieve the Commissioner of the Bureau of Indian Affairs of any authority or obligation under this part.

(3) The Commissioner of the Bureau of Indian Affairs shall, together with the information required in the preceding subsection,

submit to the Congress and the President, an assessment of the needs of Indian students with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including those State educational agencies and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq.) and an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

Bilingual Education Training Programs

Sec. 722(a) A grant may be made under this section only upon application by an institution of higher education, including community and junior colleges. Funds available for grants shall be used:

(1) For the establishment, operation, and improvement of training programs for personnel preparing to participate in, or personnel participating in, the conduct of programs of bilingual education leading to degrees and credentials in the field of bilingual education.

(2) To prepare persons to become teachers, administrators, paraprofessionals, and pupil service personnel in the field of bilingual education;

(3) Programs to increase the capacity of institutions of higher education to prepare personnel, improve and reform educational curricula, and recruit and employ bilingual education faculty;

(4) Stipends to individuals participating in a training program.

Bilingual Education Fellowship Program

Sec. 723 (a) Awards under this section shall be made to individuals for graduate study in the field of bilingual education. Individuals shall attend institutions of higher education with approved graduate bilingual education programs leading to a degree in a traditional education field with an emphasis, concentration or specialization in bilingual education.

(1) Provisions shall be made for the payment of a $6,000 stipend in addition to the cost of tuition, books and fees, to persons participating in approved graduate programs.

(2) Fellowships shall be given to eligible bilingual applicants with demonstrated competence and experience in serving children or persons of limited English language proficiency;

(3) Approval of programs and awarding of fellowships may be given on a multi-year basis; priority shall be given for doctoral programs.

(b) A program of graduate bilingual education shall be approved only if;

(1) The target language is used as a medium of instruction in courses developing techniques and methodologies relevant to bilingual education;

(2) The program is designed to be interdisciplinary in nature;

(3) Field-related experiences are an integral component of the program and occur at established bilingual education program sites.

Bilingual Education Resource Programs

Sec. 724(a) A contract under this section may be made only upon application by a private or non-profit organization; an institution of higher education, including community and junior colleges; or a local education agency.

(1) Funds available for contracts under this part shall be used for the establishment, operation, and improvement of developmental activities in the field of bilingual education. Such activities shall

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be limited to resource training; materials development; and assessment and dissemination services.

(b) Eligible applicants for resource training programs shall provide for the training of education personnel in:

(1) The use of bilingual educational methods, materials and techniques;

(2) The use and selection of appropriate instruments for measuring the educational performance of children participating in bilingual programs;

(3) The means of involving parents and community organizations in bilingual education programs;

(4) The development and implementation of procedures to evaluate the impact of bilingual education programs; and

(5) Any other activities which the commissioner determines useful to the field of bilingual education.

(c) Eligible applicants for material development shall provide for:

(1) The development of instructional and testing materials for the use in bilingual education programs;

(2) The development of instructional materials for use by institutions of higher education;

(3) Any other activities which the commissioner determines useful to the field of bilingual education

(d) Eligible applicants for assessment and dissemination activities shall provide for:

(1) The publication and distribution of instructional materials developed under this act;

(2) The assessment of effectiveness and applicability of materials developed under this act;

(3) The assessment and development of instructional and testing materials for children of limited English language proficiency;

(4) The dissemination of information related to bilingual education;

(5) Any other activities which the commissioner determines useful to the field of bilingual education.

State Education Agencies Bilingual Education Programs

Sec. 725 (a) A contract under this section may be made only upon application by a state education agency for the establishment, operation, improvement and coordination of programs of technical assistance for all bilingual education programs within the state.

(1) Activities in bilingual education shall be coordinated with other established educational fields within the agency,

(a) Provide for the dissemination of information related to bilingual education and

(b) other activities to meet the needs of programs of bilingual education as identified by the agency;

(2) State programs shall contain provisions, agreements and assurances required by the commissioner of education to achieve the purposes of this section.

(a) Assurance shall be given than funds made available under this section for any fiscal year shall be used to supplement and not to supplant the level of funds made available by the state for purposes described in this section;

(3) The funds made available to any state education agency under this section for any fiscal year shall:

(1) Not be less than $50,000 or exceed $500,000; or

(2) 5 per centum of the aggregate of the amounts paid under this part to local education agencies under Section 721(a) within the state in the fiscal year for which funds are sought.

Bilingual Education Research and Development

Sec. 726(a) A contract under this application section may be made upon application by an institution of higher education; or a private or non-profit organization; or an individual.

(1) The provisions of this part shall be administered by the Commissioner of Education;

(2) The Bureau of Bilingual Education shall carry out a program of research in the field of bilingual education in order to enhance the effectiveness of bilingual education carried out under this title and other programs for persons of limited English language proficiency.

(b) Activities shall include but not be limited to

(1) Studies to determine basic educational needs, language acquisition characteristics, and most effective conditions for education children of limited English-language proficiency;

(2) Planning, development, and technical assistance activities;

(3) establish, publish and distribute, with respect to programs of bilingual education, suggested models;

(4) Training on evaluation and other related factors affecting the quality of instruction offered in bilingual education programs;

(5) Test the effectiveness of research findings and;

(6) demonstrate new or innovative practices, techniques, and methods for use in bilingual education programs.

PART B-ADMINISTRATION OF BILINGUAL EDUCATION

Sec. 731. (a) There shall be, in the Office of Education, and Bureau of Bilingual Education (hereafter in this section referred to as the "Bureau") through which the Commissioner shall carry out his function relating to bilingual education.

(b) (1) The Bureau shall be headed by a Deputy Commissioner of Bilingual Education, appointed by the Commissioner, to whom the Commissioner shall delegate all of his delegable functions relating to bilingual education.

(2) The Bureau shall be organized as the Deputy Commissioner determines to be appropriate in order to enable him to carry out his functions and responsibilities effectively.

(c) The Commissioner, in consultation with the Council, shall prepare and, shall submit to the Congress and the President a report on the condition of bilingual education in the Nation and the administration and operation of this title and of other programs for persons of limited English proficiency not later than 1982.

National Advisory Council on Bilingual Education

Sec. 732. (a) Subject to part D of the General Education Provisions Act, there shall be a National Advisory Council on Bilingual Education composed of fifteen members appointed by the Secretary, one of whom shall be designated as Chairman. At least eight of the members of the Council shall be persons experienced in dealing with the educational problems of students who are of limited English language proficiency, at least one of whom shall be representative of persons serving on boards of education operating programs of bilingual education. At least three members shall be experienced in the training of teachers in programs of bilingual education. The members of the Council shall be appointed in such a way as to be generally representative of the significant segments of the population of persons of limited English language proficiency and the geographic areas in which they reside.

(b) The Council shall meet at the call of the Chairman, but notwithstanding the provisions of section 446 (a) of the General Education Provisions Act, not less often than four times in each year.

(c) The Council shall advise the Deputy Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration and operation of this title. The Council shall prepare and submit a report to the Congress and the President on the condition of bilingual education in the Nation and on the administration and operation of this title.

Mr. Romo. I want to go over those points very quickly. I want to commend President Carter for the very strong support he indicated on February 28 for the strengthening and improvements under title VII.

The first provision the administration attempted to revise was that increased parental involvement in those programs by having parents become active and we wholeheartedly support that provision.

Second, the administration proposes a time lime on Federal funding which would result in the defunding of bilingual education grants after the 5 years with a phaseout to begin the 3d year. We want to caution the committee, Mr. Chairman, that this time limitation for Federal funds severely threatens to turn back the 10 years of progress that we achieved in bilingual education.

As you well know, the studies that we have made available to the committee indicate, had it not been for the Federal Government, mandates and the term of the Federal funding, we would not have the success we have today in bilingual education.

A third area in which the administration seeks to make a reform in terms of changing the language of the definition of children eligible for the program. We have no problems in the sense that it clarifies the legislative intent this committee had and clarifies in no way that legislation intends to provide segregation as has been witnessed and complained of in the *Lau* vs. *Nicholas* case.

The fourth major revision, the last one, proposed by the administration is that of enhancing the research in the area of whether or not bicultural techniques would be helpful in the formulation of a bilingual education program.

We support the increased funding proposed by the administration, however, we caution that in the past our experience with the National Institute of Education has been that the conclusions and the data that has been submitted in terms of conclusive research has not been compatible with the legislative mandate and from the pragmatic initiative that the Office of Bilingual Education has taken.

So, in that area, we advocate all of that research to be administered by the Office of Bilingual Education. I want to reiterate that the gentlemen that appeared with me here had an intention of reviewing some recommendations with several members of the committee that are not present at this time, so if those can be made a part of the record——

Chairman Perkins. Those statements will be made part of the record.

Mr. Romo. Thank you.

[Mr. Romo's full written statement follows:]

**NATIONAL CONGRESS
OF HISPANIC AMERICAN CITIZENS**

400 First Street, N.W. · Suite 716 · Washington, D.C. 20001 · Telephone (202) 347-1652

Statement of A. Miguel Romo
Executive Director
National Congress of Hispanic American Citizens
(El Congreso)

Before the
House Subcommittee on Elementary and Secondary Education

March 6, 1978

Washington, D.C.

A Citizen's lobby for the Spanish speaking . . . at our Nation's Capital.

El Congreso

NATIONAL CONGRESS
OF HISPANIC AMERICAN CITIZENS

400 First Street, N.W. · Suite 716 · Washington, D.C. 20001 · Telephone (202) 347-1652

EL CONGRESO

El Congreso is a national non-profit, no-partisan citizens' advocate dedicated to the struggle for human and economic justice for all Hispanics. In the last four years, El Congreso has been instrumental in the introduction of more than 40 separate legislative proposals and amendments that have directly assisted the Hispanic community. Twenty-seven of these measures have been favorably passed by Congress and signed into law. Among these are Bilingual Education, Expansion of the Voting Rights Act, the publication of economic and social statistics relating to Hispanics, and vocational education amendments.

There are currently more than 16 million Hispanics in the United States; five million of whom are eligible voters. In the Last presidential election 75% of those Hispanics registered, voted. According to the U.S. Bureau of the Census, Hispanics will be the largest ethnic minority in the United States by 1982.

The Hispanic community in this country is confronted with serious socio-economic problems that prevent many Hispanics from living better, self-fulfilling and more respectable lives. Consider that:

-- Median education achievements for Hispanics are the lowest of any group in society.

-- Of total college enrollments, only 2% are of Spanish extraction.

-- Almost one-third of all Spanish-speaking families live in poverty.

-- Unemployment among Hispanics is 13%, twice the national average.

El Congreso's purpose is to help policymakers understand these problems and to apply pressure wherever we can affect the outcome for the betterment of the Hispanic community. We do this by drafting and monitoring legislation in Congress, testifying before Congressional hearings, and meeting with policymakers to bring input to the individuals responsible for making key policy decisions. Following each Session of Congress, El Congreso tabulates how each Member of Congress voted on major issues affecting the Hispanic community, and issues a report so that the community can be made aware of their representative's voting record.

Mr. Chairman, Members of the Committee:

My name is Miguel Romo and I am Executive Director of the National Congress of Hispanic American Citizens. Accompanying me this afternoon are Dr. F. Richard Hsu, President of the China Institute In America of New York, Dr. Alfredo G. De Los Suntos, Jr., Director of the Southwest Educational Development Laboratory and Mr. Juan D. Solis, Director of the National Center for the Development of Bilingual Curriculum in Dallas, Texas.

Our concerns relate directly to the Bilingual Education legislation contained in Title VII of the Elementary and Secondary Education Act. We will address the current legislation as well as proposed revisions currently pending before this Committee.

At the outset, I want to commend President Carter and his Administration for the strong support he gave Bilingual Education in his message to Congress on February 28, 1978. At that time the President conveyed his position that Bilingual education was necessary and that he would support revisions to strengthen and improve the program. It is to this end that we anticipate working with the Administration and the Congress.

In 1968, when Title VII was first established, the Congress recognized the need to meet education needs of limited English-speaking children from low income families. In his message to Congress, President Carter stated that 3 million children currently lacked access to a good education because of their limited English-speaking capability. In terms of the Hispanic community in the United States, the impact is alarming when you realize that:

1. Median education achievements for Hispanics are the lowest of any group in society.
2. The dropout rate among Hispanics is 40%.
3. Of total college enrollments, only 2% are of Spanish extraction.

Bilingual education programs have demonstrated an ability to help deal with these educational problems. Studies indicate that in eighteen bilingual programs across the country, there was a definite increase in achievement levels among students who were previously not in bilingual programs. The Rand Corporation Study of January 1977 demonstrated effectiveness in terms of student motivation and better school attendance.

The limits of bilingual education are currently undetermined. A large amount of research and program development remain to be done. Because of the current need for these programs to continue to develop, we hope that this Committee will support revisions to strenghten Title VII. Firstly, the Carter proposals provide for increased parental involvement in initial district applications for funding and parental involvement on parent advisory committees. The Chicano Education Project in Denver and other specialists in the field contend that parental involvement is an important element in the program's process. We wholeheartedly support the President on this provision.

Secondly, the Administration proposes a time limit on Federal funding. A phase out of federal funds begins the third year of any program. After five years, the program must be funded entirely at the local level. While we understand the Administrations rationale on this recommendation, we must warn that this provision threatens to severly reduce program expansion. Studies have shown that without federal mandates and funding, bilingual education would not have the support it has today. This is attributed to the lack of economical, political and administrative support on the local level. A grant applicant should not carry the burden of proving the ability to fund on the local level. The barriers to expansion mentioned earlier may still remain in some areas. The final result could be a deprivation of bilingual services to children needing it the most.

Thirdly, the Carter proposals provide for the amendment of the definition of eligible children from individuals of "limited English speaking ability" who "have difficulty speaking and understanding instruction in the English language" to those "with limited English language skills" who "have difficulty speaking, reading, writing, or understanding instruction in the English language". This change makes clear that the purpose of the program is to assist children of limited English language skills. It also makes clear that participation of English dominant children in the program is for the purpose of avoiding segregation, broadening the understanding of such children about languages and cultural heritages other than their own, and contributing to the objective of assisting children of limited English language skills to improve those skills.

In the area of research, the proposal increases funds for additional research with emphasis on performance evaluation. We support the basic concept but are concerned about what kind of research will be performed. In the past, the National Institute of Education has administered the research in such a way that precluded effective use by the Office of Bilingual Education. It is important that OBE have a part in research administration to insure that the data can be campatible with program administration.

Lastly, like many problems which this government attempts to deal with, it must often be a joint partnership between the government and private enterprise. In the areas of training and materials development, we feel it would be an efficient use of tax dollars to allow private firms to apply for grants in these areas. Often times we find that these private firms are far more advanced in capacity than programs in the public sector. In terms of cost-effectiveness, we urge that the Committee consider allowing private firms access to these grants.

Mr. Chairman, you and this Committee have continued to understand and support the value of bilingual education. Your efforts are now further supported by a sensitive Administration.

I hope the Gommittee seriously considers proposed revisions which will make the program more effective.

The opportunity to appear here today as well as your attention have been greatly appreciated.

Thank you.

Chairman **Perkins**. Thank you very much. Let me compliment all of the witnesses for bearing with us throughout the long day. All of your statements have been very clear, most of them have been concise and all of them have been understandable.

I know what you are talking about and what your problems happen to be and I think most all the members of the committee do also. Your testimony will be there in the record for all the committee members to read.

You have been most helpful to the committee, all of you. I certainly want to thank you all for your appearance here today. It is difficult to get witnesses on the stand when we have so many. But we usually take them the order they requested to testify, and that is the way they are listed unless there are reasons to list them otherwise.

We have heard all the witnesses that have put in an appearance and you have been very helpful, as I stated. I will look forward to your return some of these days. Let me thank all of you.

The committee is adjourned.

[Whereupon the committee adjourned at 4:55 p.m.]

[Additional material for the record follows:]

STEPHEN J. SOLARZ
13th District, New York

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March 6, 1978

Honorable Carl D. Perkins, Chairman
Subcommittee on Elementary, Secondary and
Vocational Education
B-346 C Rayburn House Office Building
Washington, D.C.

Dear Mr. Perkins:

I regret that I was unable to appear to testify before the Subcommittee this afternoon. Certain matters in my district required my presence in Brooklyn.

I would like to request that the remarks I had prepared for the Subcommittee Hearing today be accepted for inclusion into the record of the Subcommittee Hearings on the reauthorization of the elementary and secondary education programs.

Thank you for your sympathetic consideration of this request.

Sincerely,

STEPHEN J. SOLARZ
Member of Congress

ESEA Reauthorization

Mr. Chairman and members of the Subcommittee on Elementary, Secondary and Vocational Education. I would like to thank you for the opportunity to testify before you on the legislation to extend the expiring elementary and secondary education program.

The Elementary and Secondary Education Act of 1965 has had a profound impact on the educational system of our country and has symbolized the concern of our government with the preservation and enrichment of the American way of life. It has sought to enhance the educational experience of our children, truly America's greatest natural resource, and to enlist the aid and support of the finest educational professionals, in a joint effort with local schools and concerned parents, to provide those compensatory educational services and programs that would give our nations youth the opportunity to benefit from a quality education.

After ten years in elected office at the state and local level it has become increasingly clear to me that our public schools are the key element in maintaining our communities as healthy and attractive places to live. A strong public education system is essential to any urban area which hopes to maintain its middle class population. And that is why I have come before you to testify today.

I am happy to see that the Administration's proposal returns education to one of our top priorities, and that it has recommended a fifteen percent increase in the level of funding for elementary and secondary education programs. Many of my constituents would like to see an even greater level of funding for these programs.

To correct one of the inequities of the present legislation for allocating funds for Title I compensatory education programs, the administration has proposed a special targeting provision to allocate an additional $400 million for basic skills achievement programs under Title I to districts with high concentrations of poor children.

Under the present formula only schools whose percentage of poor children is equal to or greater than the district wide average of poor children may receive funds for Title I programs. Thus in a district with an average enrollment of 40% poor children, a school which has a 20% enrollment of poor children may not receive any funds for Title I programs. While in a richer district, where the average enrollment of poor children is 20%, an identical school with the same percentage of poor children would be eligible to receive Title I funds. As a result, many poor children in poor districts are deprived of the benefits of Title I.

The Administrations targeting proposal would allocate additional funds to districts where at least 20% of the total enrollment is poor, or where 5,000 of the children are poor. This would recognize the special and pressing problems poorer districts have in trying to educate large numbers of economically disadvantaged children, and provide them with some relief.

Another Administration proposal of great merit is the bill's provision for incentive funding. The provision would encourage states to spend money on compensatory education programs by matching every $2 of state funds with $1 of federal funds. The State of New York already provides New York City with $66 million for compensatory educational services. If the Administration's incentive funding proposal is adopted, more states will enact programs to meet the special needs of the underprivileged.

Other changes in the Administration's reauthorization proposal have already won support from some of my constituents who wish to strengthen the existing program and get more educational mileage out of every federal dollar spent. They have called on me to urge the Administration to consider funding programs for longer than one year. They have told me stories each year of beginning the school term not knowing whether or not their Title I programs had been funded. When funding was announced, these schools had to scramble to hire or reassign teachers and pupils to these programs. Such time constraints obviously hurt programs, teachers and students. The funding of programs for up to five years should substantially alleviate the administrative burden at the local, state, and federal levels, and should also improve the planning, implementation and evaluation of these programs.

Parents and teachers in my district are pleased that their requests to participate more fully in the planning and evaluation of these programs have been answered in part by the Administration's proposed legislation which will require that parents be involved in the preparation of the local grant application and be kept informed of the purposes and progress of the instructional programs in which their children participate. The administration's proposal also provides for greater flexibility in the design and implementation of programs at the local level by allowing some discretion in which schools would receive Title I funds and in some cases allowing Title I funds for total school plans.

Yet while the Administration's proposal is a significant improvement over existing law, much more needs to be done. A serious need of our school children is for a safe school environment. I know that several of my colleagues have introduced legislation, as I have myself, to add a new Title to the Elementary and Secondary Education Act to assist school districts to carry out locally approved school security plans to reduce crime against children, employees and school facilities. The National Institute of Education in a 1977 study for the Congress entitled Violent Schools -- Safe Schools estimated that schools were five times more likely than stores to be broken into, and that acts of vandalism, which cost more per capita in the suburbs than in the cities, cost Americans $200 million a year. The Administration's National Crime Survey of 26 cities indicated that the risk of violence for teenagers is greater in school than on the street. Indeed, 68% of the robberies and 50% of the assaults on youths aged 12-15 occur in school although they usually spend no more than 25% of their time at school. Yet little has been done at a federal level to assist those school systems facing this violence to deal with it immediately.

Studies such as the ones I have previously quoted, stress the importance of training and supportive services for the administrators and faculties of schools experiencing problems of violence and vandalism, as well as the need for security guards and devices to create safer school environments. Nearly one-half of the junior high schools and, two-thirds of the senior high schools in our large cities employ security guards. But guards are not enough. Funds are needed to reduce class sizes so that teachers and students may come to know and respect one another. Special resources are needed by our school districts troubled with violence and vandalism to develop positive linkages between school and home, between students and teachers and administrators, between law enforcement officials and social service agencies, between the school and the broader community. Our nation's school children and our educators need assistance from the federal government to deal with the problem of violence and vandalism.

I urge you, Mr. Chairman, and the other members of your committee to give serious consideration to including in the reauthorization legislation that will emerge from this committee, a new title which will assist our local school districts in cities, suburbs and rural communities to curb violence and vandalism through a balanced approach of training, community education, improved school administration, additional personnel, and security devices.

Another problem which the Administration has failed to address in its proposed legislation is the special needs of the children of immigrants. This is a real need in my district, and, I am sure, in many other port of entry cities as well. These children and their parents have many major changes to face -- language, customs, economics, political life and our different educational system. It would be most beneficial to these children if there could be some sort of immediate program of outreach, social and education services triggered when they reach a certain percentage of a school's enrollment. I firmly believe that funding special programs for the children of immigrants and their families is one way that a timely expenditure of even small funds would have a significant long range positive effect on these children and their families chances of success, both in school and in our economic and social systems.

Another idea of special merit which I recommend for inclusion in the committee's reauthorization legislation is the proposal of Mr. Pepper, Mrs. Chisholm, and Mr. Roybal to provide enrichment programs in the biomedical sciences for high school students from disadvantaged backgrounds. Studies have indicated that only by developing effective high school programs can we increase the numbers of disadvantaged students able to undertake professional training for such biomedical careers. This proposal relates well, I believe, to the Administration's proposal to devote more funds and attention to the needs of our disadvantaged high school students and to relate education to the work place.

Finally, I would like to add my voice to that of Congressman Quie and others who seek to improve services for our nations gifted and talented children by setting up and funding a special office in the Office of Education to direct and coordinate all government programs for the gifted and talented. The $2.5 million currently appropriated under the existing Elementary and Secondary Education act is not adequate to serve the special needs of these children who come from all ethnic, racial, and economic backgrounds. The majority of these specially gifted children attend schools and come from families which are unable to provide the special stimulation and enforcement that will enable these children to fully develop their natural talents -- which would be a terrible waste for our society.

The rationale for creating an office for the gifted and talented is similar to the philosphy which created the elementary and secondary education program. As the commercial proclaims on television, "A mind is a terrible thing to waste." In the sixties many of you were in the forefront developing programs for the economically disadvantaged and the handicapped. May 1978 be the year in which you are in the forefront to set up and adequately fund an office for the gifted and talented.

In conclusion, I would like to stress the importance of your work in reshaping the elementary and secondary education programs of the federal government which will have a vital impact on the future of public education in our nation. A democracy depends on an educated citizenry able to understand and chart its future. Let us see that our children are prepared to accept the challenge, let us equip them with a good foundation during their elementary and secondary education.

R. Roybal

March 6, 1978
TESTIMONY OF EDWARD R. ROYBAL
For the Record of Hearings
Before the Subcommittee on Elementary, Secondary and Vocational Education
Committee on Education and Labor

Mr. Chairman, as one of the prime sponsors of Bilingual Education in the 90th Congress, I am proud to see that the concept of bilingual education has taken such firm root in our government's overall educational effort.

The overall goal of bilingual education over the past decade has remained the same -- to provide equal access to educational opportunity to all of America's children without regard to their native tongue. Recognition that a significant segment of our population is of limited English speaking ability has not developed quickly. In retrospect, Congress can take pride in having assumed such a key leadership role in this area.

Bilingual education is still the vital link in providing the opportunity for our nation's limited English speaking population to develop their full potential through the educational system.

Experience has taught us that achieving the basic goal of this program is not a quick or easy task. To this end, I particularly support the current Administration's proposal in concerning itself with the need to develop methods of teacher training and relevant research on bilingual education that may be shared with the entire educational community. A focus on overall programmatic effectiveness is critical if the worthwhile objectives of bilingual education are to be met.

Of grave concern to me, however, is the proposed five year limitation on the federal funding of bilingual programs in the current Administration's proposal. The ten year history of this program clearly indicates that the needs of our limited English speaking population have not been met. Local reluctance to meet minority education needs, whether it be illustrated by *Brown* vs. *Board of Education*, or bilingual initiatives, clearly substantiates the need for continued federal presence and support. I urge the Committee to amend the Administration's proposal by deleting the five year limitation on bilingual funding.

Also of concern to me is the reinstatement of targetting provisions for low income students that has been deleted in the current proposal before Committee. In my opinion those in greatest need should have priority of federal support. We dilute the overall impact of our efforts by not targetting bilingual funds to those school districts in greatest need. I strongly urge the Committee to reinstate language addressing the rightful priority of low income students in receiving federal assistance. Such amendments to the proposal are not only consistent with Congressional leadership in the past, but will demonstrate continuing and resolute Congressional support to this vital educational program.

Thank you.

TESTIMONY OF

CONGRESSMAN LEE H. HAMILTON

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

OF THE

HOUSE COMMITTEE ON EDUCATION AND LABOR

MARCH 6, 1978

Mr. Chairman, it is a pleasure for me to submit testimony to this Subcommittee on issues of interest to us all: desegregated schools and equal educational opportunity for all children. My remarks are specifically directed to Section 708 of the Emergency School Aid Act as proposed by the Carter Administration.

My contacts with the people of Southern Indiana and my conversations with Members of Congress have convinced me that the vast majority of the American people favor desegregated schools. They reject the separation of the races in education as morally untenable and potentially ruinous to our society. In addition, it seems to me that most Americans have fully accepted the principle of equal educational opportunity--a principle which states that a child's academic experience should be limited only by ability and ambition, not by inferior facilities or a lack of funds for school programs. This change in attitude is one of the landmark achievements of the civil rights movement. Laws and court rulings alone could not have brought it about.

While the public is united in its support for these goals, it is apparent that efforts to attain them have not met with unqualified success. Events of the last decade show that many Americans have a deep-seated fear of court orders and federal intervention in primary and secondary schools. These people are not racists. Rather, they are good and conscientious citizens who have tried hard, often at great personal sacrifice, to do what they think right. They want desegregated schools and equal educational opportunity for all children. But they also want schools to be locally controlled and attuned to local needs and sensibilities. It is regrettable that sincere, voluntary attempts to balance these desires have not been given a chance to work. More often than not, a promising local plan, conceived by concerned parents and teachers and hammered out in the community itself, has been nipped in the bud by a court order or an edict from Washington.

To my mind, Section 708 of the Emergency School Aid Act speaks to the problem that I have just sketched. It incorporates many of the ideas of the National Educational Opportunities Act, a bill which I have co-sponsored with Judge Richardson Preyer and other distinguished Members of Congress. The heart of the section--federal support for voluntary planning to reduce racial isolation and to provide equal educational opportunity for all students--is supplemented by technical assistance for the development of the plans and financial assistance for the training necessary to implement the plans. To ensure that such effort truly reflects the intentions and expectations of the whole community, the section stipulates that no voluntary plan shall be supported unless it is developed in consultation with teachers, educators, parents and representatives of the public at large, including members of minority groups.

Mr. Chairman, I am certain that federal support for voluntary plans under Section 708 of the Emergency School Aid Act would help to make desegregated schools and equal educational opportunity for all children a reality in this nation. It would fortify an inclination that already exists in many communities. More than any other initiative it would serve to reinforce both the simple justice of Brown versus the Board of Education and the cherished principle of local control of education. I commend the legislation to the members of the Subcommittee. I urge you to give it all due attention and consideration.

Statement by Senator Gary Hart
Before the Subcommittee on Elementary,
Secondary, and Vocational Education
March 14, 1978
With Respect to Reauthorization of Title VII
Of the Elementary and Secondary Education Act

In the course of hearings last June, your Subcommittee received testimony from Mr. Ruben Valdez, a member of the Colorado House of Representatives, recommending consideration of several amendments to Title VII of the Elementary and Secondary Education Act. These amendments were based on the Bilingual-Bicultural Act approved by the Colorado State Legislature in 1975, an act heralded as the most comprehensive of its type in any state in the country. A few weeks later, I joined other Coloradans in presenting similar testimony in the Senate.

As supporters of bilingual education, we were pleased to see some of these reforms embodied in the Administration proposals presented to this Subcommittee by Secretary Califano just a few weeks ago. We were particularly pleased to see the role of parent advisory groups strengthened, because we are convinced that meaningful parental involvement in these programs is essential to their success. Some other parts of the Administration proposal are also responsive to our concerns.

At the same time, we are disappointed that the proposals still fall far short of what is needed. Continuation of Title VII Bilingual Education programs in an ill-defined "demonstration mode" invites inadequate, part-time, poorly staffed projects that contribute little either to the children enrolled or to the public perception of what bilingual education is, or ought to be.

Our experience in Colorado suggests that well-conceived full-time programs, properly staffed by bilingual teachers and supported by parents and educators, can greatly enrich the educational process for the entire community. Such programs can improve skills across the full spectrum of the curriculum.

I urge this Subcommittee to give serious consideration to further reform of Title VII to require educationally balanced programs of full-time instruction staffed by qualified bilingual teachers. Any such program should also give positive recognition to the first language and cultural identity of minority children.

With respect to this last point, the Administration proposes to define as the target group children having "limited English language skills." This emphasis on skills is clearly preferable to the existing technology, which stigmatizes eligible children as having "limited English speaking ability." But even the improved terminology retains the implication that those whose first language is not English are somehow impaired.

I hope we can find less judgmental terms -- terms that recognize the language skills of these children as "different" rather than "limited." I firmly believe that we can commit ourselves to help minority and immigrant children to master our national language without implying that their own linguistic and cultural heritage is something that must be overcome. Multilingual people are a national asset, and we can foster that view by finding less disparaging terminology for Title VII eligibility.

JOHN E. MOSS
3RD DISTRICT
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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

GOVERNMENT OPERATIONS COMMITTEE
SUBCOMMITTEES:
LEGISLATION AND NATIONAL SECURITY
GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS

INTERSTATE AND FOREIGN COMMERCE COMMITTEE:
CHAIRMAN,
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

March 7, 1978

Honorable Carl D. Perkins
Chairman
Elementary, Secondary and Vocational
 Education Subcommittee
Education and Labor Committee
Room B 346-C Rayburn H.O.B.
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is a statement which I received from Professor Steve Arvizu, Director of the Cross-Cultural Resource Center at California State University, Sacramento, regarding the bi-lingual education programs which you are now considering.

Professor Arvizu would appreciate it if you would review this material and submit it for inclusion in the record.

Sincerely,

John E. Moss
Member of Congress

JEM:Cd
Enclosure

RESOLUTIONS FOR ACTION

WHEREAS:

Culture is greatly misunderstood and generally not a priority among legislators, policy makers, and program officials from federal and state offices responsible for the operation of bilingual education programs, and; whereas,

Recent evaluation reports and journalistic accounts have misrepresented culture and its relationship to the educational process within U.S. schools generally and bilingual programs specifically,

Recent agency decisions regarding research on bilingual education, which have not been developed with participation of practitioners and professional groups, provide no assurance of immediate nor long-range attention to the cultural dynamics and innovative features of bilingual programs,

Students, parents, and practitioners in bilingual education recognize the importance of bilingual programs; whereas,

Personnel from institutions of higher education also recognize the essential linkage of language and culture in the educational process; whereas,

Few professional associations have gone on record taking a public position on the importance of culture in the consideration of educational policy and legislation;

THEREFORE, BE IT RESOLVED:

1. That this assemblage of Administrators, Researchers and Teacher Trainers in Bilingual Education attending the Second National Policy Conference on Bilingualism in Higher Education held March 4-7, 1978 in San Francisco publically affirms its position on culture as follows:

   a. culture is intimately related to language and the development of basic communication, computation and social skills,
   b. culture is an important part of the dynamics of the teaching-learning process,
   c. culture affects bilingual as well as non-bilingual instructional programs in the United States, as it is a part of the dynamics in every classroom related not just to content but also to the

organization of learning, pedagogical practices, evaluative procedures and rules of schools,

d. attention to the cultural dimension of education is an innovative aspect of bilingual programs which has widespread potential utility in resolving performance dysfunctions and interpersonal and group conflicts in schools and society,

e. culture is more than the heritage of a people through dance, food, holidays, and history. It is a dynamic, creative and continuous process including the behaviors, values, and substance shared by people that guide them in their struggle for survival and gives meaning to their life.
As a vital process it needs to be understood by more people in the U.S., a multiple society which has many interacting cultural groups,

f. public institutions, such as schools, should facilitate the cross-cultural learning of their clients as basic tools for effective citizenry, and economic, political and psychological existence,

g. it is the responsibility of all educational agencies - local, state, and especially federal - to give attention to culture in their programs,

h. all those involved in the educational process - policy makers, program officials, school personnel and students - are cultural beings, both products of and producers of culture, influenced in decision-making by their cultural background and orientation. Therefore, it is imperative that all personnel responsible for educational decisions be conscious of the culturally determining factors shaping their actions, that they analyze the social/cultural impact of their actions with regard to the realization of quality education and equity of educational opportunity for all students.

2. That the participants of this policy conference delegate to a reasonably representative ad hoc committee to be nominated from the floor or appointed by the conference chairperson the responsibility to communicate this position to the press, other professional associations and appropriate officials.

3. That this assemblage recommend to the Executive and Legislative branches of the Federal Government that consideration of culture in educational planning be given highest priority in the deliberation for upgrading educational practices, especially in issues of (1) policy, (2) legislation, and (3) research.

4. That this assemblage takes responsibility, each participant to his/her local program and community, to communicate and discuss these resolutions with others whom they come into contact.

The above resolutions were passed unanimously by the conferees, March 6, 1978, San Francisco, California.

STATE OF IDAHO
OFFICE OF
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
BOISE

ROY TRUBY

April 5, 1978

The Honorable Carl Perkins
Chairman, Committee on Education
   and Labor
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Idaho, like the other forty-nine states, is committed to the education of its citizens. During the past decade public television has been established in the state; and, during the past six years instructional television has become a high priority among the services offered by the state to contribute to the instruction of its students.

By late August, the state interconnect system along with additional translators will be in operation. Among the many advantages to our educational system, the microwave interconnection will provide a more efficient way of distributing K-12 program services and thereby make ITV resources available to an increased number of students, teachers, and other citizens within the state.

Idaho is committed to its children, youth, and adults to offer them educational services and materials that will improve their achievement in basic skills. We recognize that one of the emerging tools which can be utilized most effectively in combatting deficiencies in this area can be instructional television. We think the major function of ITV is not for enhancement as it may have been two decades ago but, more significantly, it can serve as a major resource in teaching basic learning and reasoning skills.

Because of this belief and commitment to the importance of furthering the use of technology in basic skills instruction, we urge you and the members of the Subcommittee on Education and Labor to reconsider and to recommend passage of the "Basic Skills and Quality Education Act," including Section 209 on the use of technology in basic skills instruction.

The allocation of federal funds to expand the use of television and other technology in the delivery of instructional programs aimed at improving achievement in basic skills would no doubt encourage state and local agencies to develop comprehensive and systematic plans for improving achievement in the basic skills; and, thus, enable each student to strengthen the reasoning and study skills and to improve and extend subject area skills.

We request that this letter be made a part of the record of your hearings.

Sincerely,

Roy Truby

ROY TRUBY
State Superintendent
of Public Instruction

RT:AT

STATE OF MAINE
Department of
Educational and Cultural Services
AUGUSTA, MAINE 04333

April 19, 1978

The Honorable Carl Perkins
Chairman, Committee on
Education and Labor
U. S. House of Representatives
Washington, D. C.

Dear Mr. Chairman:

Maine has just completed an Assessment of Basic Skills and although we have been gratified by the performance of Maine students, we recognize the need to continue to reinforce our efforts in this area of instruction.

It is with this in mind that we have chosen to participate in the basic skills television programming by the agencies for instructional television. Our participation in this effort makes us increasingly aware of the need for the development of technology in basic skills instruction, particularly in a state such as ours which has limited support resources for school districts covering a large rural geographic area.

It is requested that this letter be made a part of the records of your hearings.

Sincerely,

H Sawin Millett Jr

H. Sawin Millett, Jr.
Commissioner

HSM:nb

The FEDERAL EDUCATION PROJECT

Linda Brown
Director
Norman Chachkin
Of Counsel

Imani [illegible]
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LAWYERS' COMMITTEE
FOR CIVIL RIGHTS UNDER LAW

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CABLE ADDRESS: LAWCIV, WASHINGTON, D.C.

March 8, 1978

Honorable Carl Perkins
Chairman, House Education and Labor Committee
U. S. House of Representatives
2365 Rayburn House Office Building
Washington, D. C. 20515

Dear Congressman Perkins:

I would like to correct, for the record, a small misstatement in my testimony given on Monday, March 6, 1978 before the Subcommittee on Elementary, Secondary and Vocational Education on behalf of the Ad Hoc Coalition on Title I.

In my testimony, I referred to the so-called "ESAA set-aside" for compensatory services to children reassigned from Title I-eligible to Title I-ineligible schools or attendance areas as a result of desegregation, the amendment to §704(a) of ESAA added by the Education Amendments of 1976. I suggested in my testimony that these funds would be available to school districts where children were reassigned under either mandatory or voluntary desegregation plans.

In subsequent discussions with other witnesses who appeared before the subcommittee on that date, I have learned that because of the language used in the 1976 amendments, the set-aside money is not available to all districts to cover desegregation-related reassignments. Specifically, §704(a) as amended refers to reassignments ("attendance area changes") under a desegregation order or plan . . . ." Because the ESAA statute distinguishes in §706(a)(1) between desegregation plans (required by courts, federal or state agencies) and plans to alleviate or eliminate racial imbalance, the Office of Education in its regulations for the ESAA set-aside has limited eligibility to those school districts which are implementing desegregation plans, rather than plans to alleviate racial imbalance through voluntary transfers. See 45 C.F.R. §185.95-1(a)(1), 42 Fed. Reg. 61405 (Dec. 2, 1977), incorporating eligibility requirements of 45 C.F.R. §§185.11(a)(1) and 185.11(a)(2). I have studied the statutory language and the Conference Report from 1976 and am unable to say that this interpretation is inconsistent with the words of the law.

The result is as follows: School districts carrying out desegregation plans after August 21, 1974 under federal or state court order, or required and approved under Title VI of the 1964 Civil Rights Act by the Department of Health, Education and Welfare, or required by state agency order, may not use Title I basic grant funds to "follow" children mandatorily reassigned under such plans away from Title I-eligible to Title I-ineligible schools. However, to the extent that such plans incorporate voluntary transfers (such as majority-to-minority transfers), they may use basic grant funds to continue services to these students, subject to the concentration requirement. These districts are also eligible for additional funds under the ESAA set-aside to provide services to children reassigned either voluntarily or mandatorily under the desegregation plans.

On the other hand, school districts carrying out either desegregation plans or plans to eliminate or reduce racial imbalance which are not implemented because of court, state agency, or Title VI requirements, are not eligible for set-aside funds for any reassigned students. If these plans involve mandatory reassignment of students (as by alteration of attendance zones, etc.), the districts may not use Title I basic grant funds to "follow" the mandatorily reassigned students with services. However, to the extent that these plans involve voluntary transfers, basic grant funds may be used, again subject to the concentration requirements.

Let me illustrate these results with practical examples. Wichita, Kansas implemented a desegregation plan as required by Title VI of the Civil Rights Act and which was approved by HEW. If that plan had been implemented after August 21, 1974, then Wichita would have been eligible for set-aside funds to continue Title I services to reassigned children. Wichita may not use its Title I basic grant funds to provide services to children mandatorily reassigned. But if under its desegregation plan there are any voluntary transfers, Wichita may use basic grant money to "follow" these children with Title I programs, subject to the concentration requirement.

Boston implemented a desegregation plan under federal court order. To the extent that the plan went into effect after August 21, 1974, it is eligible for set-aside funds. In addition, Boston may, in its discretion and subject to the concentration requirement, use Title I basic grant funds to provide services to children voluntarily reassigned from eligible to ineligible schools.

San Diego has, as I understand it, a completely voluntary plan to reduce racial imbalance. Therefore, it is not eligible under the present law for ESAA set-aside funds. It may, however, use its Title I basic grant to provide programs for students who transfer voluntarily, as part of the plan, to ineligible schools, again subject to the other requirements of the Title I law and regulations.

Finally, Superintendent Hin testified that Bayonne, New Jersey had carried out a desegregation plan. If that plan was not required by the New Jersey Commissioner of Education, then Bayonne would not be eligible for ESAA set-aside funds. Nor could Bayonne redirect Title I basic grant funds to provide programs for children reassigned by the district under the plan. If there were any voluntary transfers under the plan, then children moving from Title I-eligible to Title I-ineligible schools voluntarily could be "followed" with basic grant funds, subject to the concentration requirement.

Since the Congress has frequently expressed its preference for voluntary school desegregation, we suggest that a technical amendment to §704(a) of ESAA would be desirable to provide an incentive for plans such as San Diego's or Bayonne's, in the above examples. This could be achieved by altering the language to read:

> . . . but who are no longer receiving such services as a result of attendance area or enrollment changes under a plan implemented or ordered after August 21, 1974 which meets the requirements of section 706(a)(1)(A), (B), (C), or (D) for eligibility for assistance under this title.

We would greatly appreciate your making this letter a part of the record of the hearing as a supplement to my testimony.

Sincerely,

FEDERAL EDUCATION PROJECT

Norman J. Chachkin

NJC/td

IMPACTED AREA SCHOOLS
INFORMATION SERVICE

March 8, 1978

The Honorable Carl D. Perkins
Chairman
House Committee on Education and Labor
Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

We are writing pursuant to your statement that the record of the House Subcommittee on Elementary, Secondary and Vocational Education would remain open to accept additional comments on the authorization of Education programs. On behalf of the Impacted Area Schools organization I wish to present to your Committee our suggestions for the improvement to the Impact Aid program.

As I stated in my testimony before your Committee, thousands of school districts serving millions of our country's children depend on the continuation of Impact Aid. We as a group of school administrations who deal daily with this program are fully aware that this, as any program, can be improved. However, we believe strongly that principles on which the program is based,are still intact and that these same principles have currency in 1978. The federal presence does place a burden on school districts and therefore the federal government should provide financial assistance. Additionally the Federal government should guarantee minimum levels of educational services for the children of its employees or at least not harm local programs.

Impacted Area Schools organization supports the following improvements in the impact aid program.

(1) The provision for full funding for military B students in addition to the full funding for A students already received in Tier II for "super A"districts with no change in the definition of super A districts, making the budget balancing provisions of section 3(d)(2)(B) available to all districts that are at least 50% impacted, and provision for payment of this budget balancing amount in the second tier.

(2) Elimination of all distinctions, both in payments and in use of funds, between children residing in low rent housing and other children living on federal property.

(3) Application of the provisions of the Administrative Procedures Act to official determinations of the U.S. Office of Education made under this Act.

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(4) Requiring the Commissioner to make partial payments early in the year when requested to do so.

(5) Elimination of the absorption provision of the current law.

(6) Limiting discretion of the Commissioner in the definition of terms under the equalization section, and providing that a state school finance program that has beeen judged to be unconstitutional by a state or federal court shall not be considered as an equalized program under this Act until it has been corrected or the judgement of unconstitutionality has been reversed or appealed.

Setting out due process procedures to guarantee that all interested parties have received notice and an opportunity to present their views before any changes in state aid are made, and before any decision of the Commissioner becomes final, under the provisions of section 5(d).

The provision for the suspension of section 5(d)(2), except for those states currently discounting under section 5(d)(2), until the amendments of subsection (a) become effective.

(7) Inclusion of embassies, consulates, and other property enjoying extraterritorial status, within the definition of federal property.

(8) Allowing school districts to count as eligible impact aid students those handicapped students who would be impact aid eligible if attending classes in the schools of the district, but for whom the school district is paying tuition to send those students to special institutions appropriate to their needs as provided under the Education for the Handicapped Act.

(9) A payment of the full cost of special education for handicapped children of military personnel.

(10) Increase the rate of payments under section 5(c) by 20%.

(11) The elimination of the distinction between in-and-out-of county Federal property.

(12) The inclusion of out-of-State Federal property.

Thank you for your consideration of our views. If you have any need of our assistance please feel free to call on us at any time.

Sincerely,

H David Fish

Dr. H. David Fish

NSVP NATIONAL SCHOOL VOLUNTEER PROGRAM, INC.
300 North Washington Street, Alexandria, Virginia 22314 (703) 836-4880

March 13, 1978

The Honorable Carl D. Perkins
Chairman
Committee on Education and Labor
2365 Rayburn Building
Washington, D. C. 20515

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Miami, FL

Executive Director
JOHN W. ALDEN

Dear Mr. Chairman:

This letter follows up on the testimony (attached) which we provided your committee on March 6, 1978. The heart of that testimony is a request that the Congress add language which allows and encourages federal education funds, where appropriate and at local election, to be used for school volunteer programs. During markup, we ask that your subcommittee take the following specific actions:

1. Title I. Add language to the law which allows support for school volunteer programs serving Title I eligible children.

   Rationale: Although the statute does not now exclude volunteer programs, we believe that explicit reference by federal law would encourage greater volunteer participation, an element now found in the more successful compensatory programs.

2. Title I. Parent Advisory Councils. Add language to the law for advisory councils, encouraging active involvement in compensatory education projects.

   Rationale: Research confirms that the succesful councils were actively involved in developing project materials, locating community resources, assisting with instructional activities and working with students in other individual ways, including at home. This volunteered service provides the parent advisory councils with intimate knowledge of compensatory education projects and it adds essential human resources to the school's instructional program.

3. Title II. NSVP believes that a law with this general purpose would contribute immensely to the general federal education role. School volunteers, regardless of the state, work with school professionals to improve the quality of education. The majority of that effort is in basic skill improvement.

   The administration's bill is used as a reference for the following suggestions.

   a. In Title II, the language should make clear that the program is "to develop a means through which parents and others can work with the schools to improve the educational achievement of students."

National Advisory Council: Gordon MacKay, Chairman, Robert F. Baker, Terrell H. Bell, Helen Bernat, Helen C. Bond, Hon. Thomas Bradley, Urie Bronfenbrenner, Don Davies, Will Davis, Nolan Estes, Katherine Fales, Arthur S. Flemming, Henry L. Freund, Susan R. Greene, Samuel B. Gould, Samuel Halperin, Kitty Carlisle Hart, Joan Holtzman, Sarah H. Howden, Maurice L. Kelly, Owen B. Kiernan, Hon. Mary Conway Kohler, Robert L. Lamborn, Ruth Love, Sidney P. Marland, James O. Pinton, Jr., Wilson Riles, Joseph Robbie, Paul Sonnabend, Paul A. Wagner

b. In Section 205 (4), after "demonstration of techniques," add "such as school volunteer programs."

c. Section 208 should encourage parental participation through the delivery system now in place in hundreds of communities, namely, school volunteer programs. Again, emphasis should remain on parents but "others" should not be excluded.

d. NSVP recommends new language for Section 210 to clarify who would be eligible and how the funds would be spent.

- "In accordance with Section 204" should be added to make it consistent with other paragraphs.
- The "such as" should read "labor unions, volunteer organizations, business associations and others encouraging voluntary community participation in basic skills improvement."
- Paragraph 2, Section 210, should read. "Volunteer programs to provide individual assistance to children, youth and adults with instructional needs, both in and outside the school."
- Consider adding a paragraph (#4) or broadening the language of #1 which would authorize "demonstration programs for lending or selling books to children, youth and adults."

Rationale for the suggested changes to Title II: NSVP is encouraged by the administration's desire to expand the federal government's attention to basic skills. The heart of this spotlights the parents' role in the education of their children. School volunteer programs provide a delivery system developed at local initiative and expense to recruit, train, place and recognize volunteers, over half of whom (on a national basis) are parents. We also ask that the subcommittee's final language encourage recruitment of the other half of the potential volunteer population -- retirees, grandparents, employees of business and industry, high school and college students.

4. Title IV. Add language under part C which "encourages the development of programs which involve volunteers in the improvement and expansion of instructional programs for children."

Rationale: Presently, Title IV-C supports or has supported numerous programs which involve volunteers. If federal law specifically promotes this practice, many more will flourish, through state and local action. NSVP knows of numerous states that are now considering expansion and/or improvement of the voluntary sector, a trend which should be encouraged.

Realizing the enormous effort that has already been mounted to receive input from the education community, NSVP appreciates the subcommittee's attention to our recommendations. These proposed actions will bring thousands of citizens in touch with education at the local level and with the lives of children, who are direct beneficiaries. NSVP stands ready to provide any help we can to insure the achievement of important national objectives.

Sincerely,

John W. Alden

John W. Alden
Executive Director

Enclosures

JWA/jhc

cc: The Honorable John Buchanan, Alabama
The Honorable William D. Ford, Michigan
The Honorable Albert Quie, Minnesota
The Honorable Ernest L. Boyer

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON D.C. 20202

MAR 14 [illegible]

Honorable Carl D. Perkins
Chairman
Subcommittee on Elementary, Secondary
  and Vocational Education
Committee on Education and Labor
House of Representatives
Washington, D.C.

Dear Mr. Perkins:

Thanks very much for your letter requesting my response to three questions following the hearing of March 6. I am very sorry that my scheduled testimony before the Senate Appropriations Subcommittee did not permit my staying to participate in the question and answer session on March 6.

The enclosed material contains my response to your three questions. If I may provide further information, please don't hesitate to let me know.

Cordially,

Ernest L. Boyer
U.S. Commissioner
of Education

Enclosures

Question 1: Commissioner Boyer, last August we discussed the apparent mismatch that seems to exist between programs in OE and the personnel assigned to them and the paperwork resulting from them. I was especially concerned that the major programs, like Title I, were not receiving sufficient staffing.

I notice that you propose to increase the Title I staffing which I commend you for; but more broadly do you have any long-range comprehensive plans for re-aligning staff in USOE to give a greater emphasis to the principal programs?

Answer: The question as to the most effective matching of staffing patterns with program needs is one that has concerned me since I arrived. In many cases there did not appear to be much logic behind the allocation of staff. This, I'm sure, stems in part from a long history in which staffing patterns reflected the persuasive ability of the head of a unit more than any objective assessment of need.

Since I arrived the agency has been working toward the development of a better system for dealing with this problem.

First, we now have operative a Position Accounting System that controls all positions in the Office. It tells us where each position is allocated, whether it is vacant and for how long, who is assigned to each position, and so forth. This should enable us to establish better position management procedures.

Secondly, we are continuing to refine a Work Measurement System that ultimately will define and measure the workload in each unit. This system will permit us to compute a workload per employee by unit, average times for accomplishing various tasks, and output per unit. These data will enable us to better determine how the allocation of staff should be improved.

We are not yet satisfied with the quality of the data that the Work Measurement System gives us and are working on refining the system. For example, we know that programs that distribute funds on a formula basis (such as Title I) have different workload requirements than a discretionary grant program. But we haven't worked out those differences yet.

Hopefully, with a Position Accounting System to better track the allocations and a Work Measurement System to more objectively identify staffing needs, we fully expect to better match our staffing patterns to the demands of our larger programs. Obviously, such a capacity will equally be applied to smaller programs.

Question 2: Your testimony addresses the improvement of the Title I program by upgrading and expanding the Title I staff. Would you please explain how moving the Title I program organizationally will help to improve it?

Answer: (1) The Deputy Commissioner will be able to provide direct supervision of and take direct responsibility for this highly visible and complex program. (2) More timely solutions to the operational problems and improved responses to policy issues will be possible. (3) The Deputy Commissioner will be able to advise the Congress and constituency groups on Title I matters in greater detail and with a more intimate knowledge of the program, thereby improving linkages between them and the Title I program. (4) Closer and more frequent personal contact between the Director of the Title I Program and the Deputy Commissioner, BESE, will provide the Director of the Program with clearer insight into those policy issues that apply to Title I. (5) The Commissioner will be provided with more direct access to Title I operations through his appointed policy maker, the Deputy Commissioner, thereby eliminating layering and separation.

The new organizational alignment will additionally have impact on the following important organizational and policy matters: (1) quality of our State program reviews, (2) the depth and scope of our technical assistance in specialty areas, (3) resolution of nonpublic bypass issues, (4) the simplification of regulations and guidelines, (5) identification of exemplary practices, and (6) the development of an information system concerning compensatory education programs.

The Deputy Commissioner will also have direct involvement with the operational aspects of the important set-asides: Migrant Education and Neglected or Delinquent in institutions. This involvement will be especially important in matters pertaining to improved monitoring, technical assistance, interstate coordination and better monitoring of the records transfer system.

Question 3: Since the President announced his education reauthorization plan, we have heard a considerable amount about an Office for Nonpublic Education in the Office of Education. Could you please share your plans on the development of this office with us? And could you also tell us what other steps you are taking to improve the participation of private school children in Federal programs?

Answer: The Office of Education is in the process of establishing an office for nonpublic education which will provide an internal administrative capability to focus on our nonpublic school programs. At present, we have an excellent external liaison capability but we have come to realize that we need more internal focus on the problems of nonpublic education. Therefore we will establish, with at least one full-time professional person, a unit in the Office of the Executive Deputy Commissioner for Educational Programs which will conduct a systematic review of nonpublic student participation and initiate corrective measures if needed to insure that timely services are provided, plan and coordinate inservice training activities for OE personnel which will assist them to meet their responsibilities for providing services to nonpublic school students, and identify and disseminate exemplary practices in providing nonpublic student services. This unit will monitor complaints from the nonpublic schools regarding Federal program participation and will be responsible for resolving complaints which have the potential for administrative bypass. Should bypass become necessary, this staff will be the primary management unit for implementing the procedures.

In addition to establishing the office described earlier, I recently announced the policy of the Office of Education which reiterates the right of every nonpublic school child to participate in Federal programs for which they are eligible. Each program manager has been apprised of this policy and his responsibilities for fulfilling it. Further, we have developed clear procedures for handling complaints and have made program managers aware of these procedures. I have attached a copy of the policy statement for your perusal.

Commissioner's Policy Statement
On
Nonpublic School Participation in Federal Programs

The policy of the U.S. Office of Education is to administer vigorously and effectively the Federal elementary and secondary education laws so that maximum program benefits reach children in both public and nonpublic schools on an equitable basis. The right of nonpublic school children to participate in a number of federally funded programs has been clearly established, and yet the record of delivery has been spotty. The United States Office of Education will not accept careless administration in this essential matter. Service to children in nonpublic schools can and must increase.

Some legislation carefully spells out the manner in which children in nonpublic schools are to be served while other legislation is less specific. While the laws refer to "equitable" treatment, even that word "equitable" has been differently interpreted. Because local public schools must arrange for delivery of Federal education services to nonpublic children, there sometimes exists difficulties, including legal barriers, to assure equitability. Accordingly, the Congress provided the Commissioner with an administrative remedy, called bypass, to serve nonpublic school children where local public schools are unable or unwilling to do so.

Since January of 1976, we have received an increasing number of nonpublic school complaints, more particularly, requests to invoke bypass. We have received charges from the nonpublic school community that OE has been dilatory in its responses. It is my intention to implement guidelines which will assure speedy and efficient resolution of those complaints.

Each manager in the U.S. Office of Education, who is responsible for programs which provide educational benefits for children, must know these procedures, practice them, and attempt to improve upon them. Each complaintant must be answered immediately. The appropriate State education agency must be notified in a short period of time of the complaint. Clearances of draft letters for the Commissioner's signature must be handled on a priority basis. I believe that expeditious handling of correspondence on nonpublic school complaints will enhance our efforts to effect a timely and reasonable resolution to each complaint. Your cooperation in this effort is needed and I count upon you to help improve our performance in serving the nonpublic school children, as well as public school children.

PART 21: THE ADMINISTRATION'S PROPOSALS FOR ELEMENTARY AND SECONDARY EDUCATION

MONDAY, MARCH 6, 1978

House of Representatives,
Subcommittee of Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Alexandria, Va.

The subcommittee met, pursuant to notice, at 7:30 p.m. in the Council Chambers, 125 N. Royal Street, Alexandria, Va., Hon. Dale E. Kildee presiding.

Members present: Representatives Heftel and Kildee.

Also present: Congressman Harris.

Staff present: John F. Jennings, majority counsel; Christopher Cross, minority staff director; and Nancy L. Kober, staff assistant.

Mr. Kildee. The Subcommittee on Elementary, Secondary, and Vocational Education here in Alexandria is sitting at this time. The chairman, Carl Perkins, will be here shortly—he has been delayed because of other obligations. I am Dale Kildee, Congressman from Michigan, and will be chairing until he arrives here.

Let me introduce the people on the panel tonight. Besides myself we have Congressman Cecil Heftel from Hawaii, and of course your own Congressman who has been in all our offices talking about this problem, Herb Harris. We have the majority counsel, Jack Jennings, and minority counsel, Mr. Chris Cross.

I will make an opening statement and then call upon Congressman Harris.

This evening the Subcommittee on Elementary, Secondary, and Vocational Education is conducting a hearing on the impact aid programs. This will be our 59th hearing on elementary and secondary programs, and our last hearing before we begin Wednesday marking up legislation to extend impact aid and several other elementary and secondary programs. This afternoon we completed our final hearing in Washington on these programs.

Certainly, the impact aid legislation, Public Laws 81–874 and 81–815, have over the years provided a great deal of financial relief to all the school districts in this area. We are delighted to be here in Alexandria to see first hand how these programs are working in the nearby metropolitan districts.

I would like to commend Congressman Herb Harris for bringing to the attention of the subcommittee the importance of impact aid to his district and for urging us to come to Virginia to look at the situation. I would also like to commend Congressman Harris and Congressman Joe Fisher for consistently watching out for the educational needs of their districts.

Last week the Secretary of HEW, Joseph Califano, presented the administration's proposals for education to the subcommittee. Among these proposals were amendments to the impact aid program which included elimination of the out-of-county "B" children, changing the method of computing the local contribution rate, eliminating the tier system for appropriations, introducing a 3-percent absorption provision, advance funding the programs, and phasing out payments for children in low-rent housing.

In the next few weeks the subcommittee will be considering the administration's bill and several other proposals for amending the impact aid legislation. This evening we would like to hear everyone's views on the administration's bill and on any other amendments you might favor or oppose regarding this program.

I would like to state that since we have over 30 witnesses to cover this evening, and since we have just completed a very lengthy hearing in Washington, we would appreciate it if your oral testimony could be kept to about 5 minutes. Your written testimony will be entered in full in the record, and become part of the record of this committee. But, if you could keep your oral testimony to about 5 minutes, it would expedite the hearings.

At this point I would like to call upon your own Congressman, Congressman Herb Harris.

Mr. HARRIS. Thank you, Congressman Kildee. From personal knowledge I would like to thank you and Congressman Heftel very much for coming out after a long day of hearings on the Hill to northern Virginia to hear our story, our belief in the impact aid program. I am very pleased to play a part in this historic "first" for northern Virginia. I do not know whether you know it or not, but this is the first time a special, official congressional hearing on impact aid has been held right in the area at a time and place convenient for those who know about it and have an interest in it to testify before a congressional committee.

I want to thank Chairman Perkins for his interest, and especially for his eagerness to come out to northern Virginia. I appreciate very much the help of you and all the members of the subcommittee on this very important matter.

There are at least two reasons that make this hearing timely and significant. The Washington-area suburban school districts have often been pointed at as examples of flaws in the basic program. Some people say that these school districts are "wealthy," and that impact aid should be targeted for more needy districts.

Second, last Tuesday HEW Secretary Califano testified before the subcommittee on the administration's proposed changes to all Federal elementary and secondary programs. It is very encouraging to hear the Secretary ask Congress for a 50 percent increase in Federal aid to education. We should be putting education at the top of our Nation's priorities. I commend the Secretary and the President for this insight and foresight with regard to that.

678

However, among those recommendations were some changes in the basic impact aid law, for example, HEW recommended that out-of-county "B" students no longer be counted as eligible in the impact aid formula.

I have prepared a table which is attached to my statement, comparing the changes recommended by HEW with the current entitlement rate under existing law for various types of students. The proposed elimination of the out-of-county "B's" is of keen interest to our citizens, I am sure that you agree, since we have many students whose parents live in one locality but work in another.

I have provided to our witnesses and we have available here excerpts from Secretary Califano's testimony which discusses the other recommendations. We also have some additional information on impact aid in limited quantities, if there are other people here who would like to have copies of it.

I encourage the witnesses to address these recommendations and their implications to northern Virginia schools. I know our witnesses will want to share with us their views of the needs and problems of our schools, especially as they relate to this program. I look forward to hearing from these school and community representatives tonight. Your comments will be helpful to us as changes in the impact aid law are considered in the House in the coming months.

I would like to state, Mr. Chairman, if I might, that Congressman Fisher planned to be here tonight. He lost his father yesterday and is making funeral arrangements in Maine this evening, so he cannot be here. He has given me a copy of his statement that he would have liked to have delivered. I would like to read just one or two sentences from that statement, if I may; and then, if there is no objection, ask that both my statement and Congressman Fisher's statement appear in the record at this point.

Mr. KILDEE. Without objection, they shall appear.

[The statements follow:]

Opening Statement of Congressman Herbert E. Harris II
Special Hearing on Impact Aid
House Subcommittee on Elementary, Secondary
and Vocational Education
March 6, 1978

I am very pleased to play a part in this historic "first" for Northern Virginia — a special, official Congressional hearing on Impact Aid right in the area at a time and place convenient for those who work most closely with our schools. I wish to thank Congressman Perkins for his interest and especially for his eagerness to come out to Northern Virginia this evening and I appreciate the help of the other members of the Subcommittee.

There are at least two reasons that make this hearing timely and significant. The Washington-area suburban school districts have often been pointed to as examples of flaws in the basic program. Some people say that these school districts are "wealthy" and that Impact Aid should be targeted to "more needy" districts.

Second, last Tuesday, HEW Secretary Califano testified before this Subcommittee on the Administration's proposed changes to all federal elementary and secondary programs. It was very encouraging to hear the Secretary ask Congress for a 15% increase in federal aid to education. We should be putting education at the top of our nation's priorities. I commend the Secretary and the President for their insight and foresight.

However, among those recommendations were some changes in the basic Impact Aid law. For example, HEW recommended that "Out-of-County B" students no longer be counted as eligible in the Impact Aid formula. I have prepared a table, which is attached, comparing the changes recommended by HEW with the current entitlement rate under existing law for various types of students. The proposed elimination of the "Out-of-County B's" is of keen interest to our citizens, I'm sure, since we have many students whose parents live in one locality but work in another.

I have provided to our witnesses and we have available here excerpts from Secretary Califano's testimony which discusses the other recommendations. We also have some additional information on Impact Aid in limited quantities.

I encourage the witnesses to address these recommendations and their implications to Northern Virginia schools. I know our witnesses will want to share with us their views of the needs and problems of our schools, especially as they relate to this program. I look forward to hearing from these school and community representatives tonight. Your comments will be helpful to us as changes in the Impact Aid law are considered in the House in the coming months.

Types of "Impact Aid" Students

Student	Rate of Entitlement (Percent of Local Contribution Rate) Current Law	HEW Proposal
A (Children whose parents live and work on federal property)		
Handicapped Military	150%	150%
Handicapped Indian	150%	150%
Military A	100%	100%
Military A Public Housing	100%	0%
Indian	100%	100%
Civilian A	90%	90%
Civilian A Public Housing	90%	0%
B (Children whose parents live or work on federal property)		
Military B Handicapped	75%	75%
Military B	50%	50%
Refugees	50%	0%
Civilian B, Live on Federal Property	45%	50%
Civilian B, Public Housing, Live on Federal Property	45%	0%
Civilian B In County	45%	45%
Civilian B, Public Housing, In County	45%	0%
Civilian B Out of County	40%	0%
Civilian B, Public Housing, Out of County	40%	0%
Civilian B Out of State	0%	0%

Statement of Joseph L. Fisher
before House Subcommittee on Elementary, Secondary, and Vocational Education

March 6, 1978

Mr. Chairman and Members of the Committee:

I very much appreciate this opportunity to present my views on the current and future role of the Impact Aid program.

My views can be summarized as follows:

* I support an Impact Aid program funded at current levels. I feel that this administration, like so many administrations before it, makes the mistake of lumping Impact Aid in with all other federal education programs, and measures the effectiveness of Impact Aid on the basis of the number of needy students aided. This is not the purpose of Impact Aid and I wish that this administration would recognize the differences in purpose among federal education programs.

* The goals of Impact Aid -- to defray the costs of educating children whose parents do not pay property tax and to offset the loss of revenue due to the presence of federal property in the community -- continue to be appropriate and justifiable matters of federal public policy.

* The President's proposals for Impact Aid, if they were to be enacted, would have a debilitating and unwarranted effect on the program. Moreover, even if the President's scheme were adopted, the program would still be subject to a host of the criticisms it now faces.

* The continuing problems of Impact Aid can be traced to the difficulty in linking the distribution of funds precisely to

the goals mentioned above, and to the confusing set of rules that have grown around this program. Any modifications should be aimed directly at addressing these criticisms.

Goals of Impact Aid

The Impact Aid legislation was originally passed in 1950 as a successor to the Lanham Act born in the early years of World War II. It sought to fulfill two principal goals: 1) to defray the costs of educating children of federal employees who did not contribute to the property tax base of the local community, and 2) to compensate localities for the presence of federal properties which are exempt from local property taxes. These were worthwhile and laudable goals then, and they remain so today. Children whose parents live and work on, let's say, a military base, are entitled to an education but localities should not be required to foot the bill alone when the parents are not paying property tax. Further, the presence of federal property in the community represents a net drain on local resources. The additional economic activity generated by the influx of federal employees does not fully compensate, in my view, for the costs of providing local services -- roads, police, and the like -- for these tax-exempt lands.

The President's Proposal

This President has moved from the path of his predecessors by abstaining from the long-standing tradition of recommending outright elimination of Impact Aid "B". Instead, the administration proposes a series of changes that seek to eliminate what it considers to be the undesirable features in the program.

I applaud this administration's effort to be more sensitive to the impracticality and undesirability of wiping out Impact Aid "B" in one fell swoop. Also, I support its proposal to provide forward funding for the program, so that local school districts can better plan their budgets.

But only the most myopic of observers will fail to see the long-range effects of the President's proposals for Impact Aid. Over time, in the next five years or so, these proposals, if enacted, would severely restrict the level of funding. The administration estimates a 30 percent reduction in funding over the next five years, although the cut this year would be less than 10 percent.

I think the long-range cut might be even higher than estimated, primarily because of the nature of the hold-harmless provisions in the proposal. The administration proposes to replace all existing hold-harmless provisions with a comprehensive one that would provide local school districts with 75 percent of the prior year funding. But in three years, 75 percent of 75 percent of 75 percent becomes 42 percent of the initial year funding level, and in five years the figure becomes 24 percent. I expect that a number of school districts will find that the President's proposals would drastically cut their Impact Aid entitlements. Thus over time funding for more and more school districts will be based on the hold-harmless protection. Since the hold-harmless level in three years would be less than half of current funding, I am skeptical that levels of funding in the program would be as high as the administration estimates.

Moreover, the President's proposals will leave the program open to many of the criticisms that it now faces. Thus we will still be likely to see annual funding fights and the like because the program will continue to be ill-designed to meet its own stated goals. The administration's response seems to be that if the present tools are ill-suited, then we ought to forget about the goals as well. I disagree. For example, the President proposes to exclude the children of employees who work outside of their county of residence from the payment formula. This does not alleviate the problem of incomplete measurement of the federal presence. Instead, it makes things worse.

This provision doesn't make sense in my community. Take two federal employees, both of whom work at the Pentagon. One lives on the Arlington side of Route 7, the other lives across the road in Fairfax County. Under the administration's plan, Arlington would receive a payment for employee #1 while no payment would be made to Fairfax County or to Arlington County for employee #2. Yet both represent a drain on Arlington because that jurisdiction has to commit resources to providing access and other services to the Pentagon.

The administration's proposal takes away from one locality while it makes no additional payment to the other. In so doing, there is no recognition of the local services provided to commuters from other jurisdictions.

The Burden of the Federal Presence

In the Congressional district I represent, Impact Aid is an important, needed, and justifiable source of funds. The inescapable fact is that the federal presence has a real effect on the collection of local property tax revenues. Payments to localities for this federal presence, in the form of Impact Aid, would be severely reduced if the administration's plan were enacted.

In Arlington alone, assessments on federal property including the Pentagon, Arlington Cemetery, National Airport, Fort Myer, and others have been placed at a total of $600 million, which, if subject to property taxes, would result in the flow of some $14 million into local coffers, more than one fourth of all property tax revenues now collected in the county. All forms of Impact Aid payments for Arlington, by contrast, now total less than $2 million, and under the President's proposal would drop below $1 million over the next few years.

A similar situation exists in Fairfax County where there is over 19,000 acres of federal land, valued at over $450 million, yet its $13 million Impact Aid payment would eventually be cut in half under the President's plan. And Loudoun County, with over 1500 federal employees at Dulles Airport and a large FAA facility, will find its Impact Aid payment reduced from $500,000 to $100,000 by 1982 under the administration's plan.

Criticisms of the Program

To my mind, the "A" part of Impact Aid does a reasonable job in meeting the objective of defraying the costs of children whose parents do not pay property taxes by making payments for this purpose to the local districts. I believe it should be retained with only minor modifications.

It is the "B" part of the program, in which payments are made to local school districts on the basis of the number of children whose parents live or work on federal property, that comes in for the bulk of the criticism. I think the reason for this criticism stems from the difficulty in designing a program that accurately measures the impact of the federal presence in the community.

Much confusion has been generated by the funding formula for Impact Aid "B" in that it is based on children whose parents are in fact paying local property taxes. Critics of this procedure however, ignore the fact that children of federal employees are merely being used as a proxy measure of the extent of the federal presence in the community. To be sure, it is not a good proxy measure of lost property taxes, and I find it tempting to seek a better measure of these lost revenues. With a better proxy, continued adequate funding levels could be justified and we could move away from the annual funding battles that seem to have become a permenant part of the federal education landscape.

Moreover, the many tinkerings with Impact Aid over the years have made this program exceedingly complex. It now requires the annual collection of data from school children, imprecise estimates of the per-student costs in over 4000 school districts, and a devilishly intricate formula for the distribution of funds. Surely a more easily understood program would help in the effort to assure future levels of funding.

Mr. **Harris.** Congressman Fisher says, and his views are summarized as follows:

He supports an impact aid program funded at current levels. He feels that this administration, like so many administrations before it, makes the mistake of lumping impact aid in with all other Federal education programs, and measures the effectiveness of impact aid on the basis of the number of needy students aided. This is not the purpose of impact aid, and I wish that this administration would recognize the differences in purpose among Federal education programs.

The goals of impact aid—to defray the costs of educating children whose parents do not pay property tax and to offset the loss of revenue due to the presence of Federal property in the community—continue to be appropriate and justifiable matters of Federal public policy.

The President's proposals for impact aid, if they were to be enacted, would have a debilitating and unwarranted effect on the program. Moreover, even if the President's scheme were adopted, the program would still be subject to a host of the criticism it now faces.

The continuing problems of impact aid can be traced to the difficulty in linking the distribution of funds precisely to the goals mentioned above, and to the confusing set of rules that have grown around this program. Any modifications should be aimed directly at addressing these criticisms.

Mr. Chairman, as you might note, in both of our statements we do not appear before you as completely unbiased witnesses with respect to the impact aid programs, we feel strongly that they have been of considerable help, not only to our district, but to districts throughout the country. They are not by any means the total Federal aid to education programs that exist. The impact aid program does represent important elements of the Federal Government attempting to make some districts whole that they have impacted upon with regard to the school system because of very large Federal presence.

I again want to express my appreciation for your coming here tonight and look forward to hearing the witnesses' testimony.

Mr. **Kildee.** Thank you very much, Congressman Harris, you summarized well the arguments you have given to me for over a year since I arrived in the Congress, and we appreciate your testimony very much.

This first row here will be the witness table, there are two microphones, the witnesses may take either one of the microphones.

Our first witness tonight will be Dr. John R. Stubbings, Assistant Superintendent for Administration, Alexandria Public Schools. Dr. Stubbings? Any prepared testimony you may have you may give to the young lady.

STATEMENT OF DR. JOHN R. STUBBINGS, ASSISTANT SUPERINTENDENT FOR ADMINISTRATION, ALEXANDRIA PUBLIC SCHOOLS

Dr. **Stubbings.** Thank you, Mr. Chairman, Congressman Harris and other members. My name is John Stubbings. I am Assistant Superintendent for Administration of the Alexandria City Public Schools.

I will not take a great deal of time this evening to tell you all the the reasons why we feel that impact aid funds should continue. I am sure over the past 25 years or so all of the possible reasons have been advanced.

Let me make a few brief comments about the impact that this proposal may have on the Alexandria schools. Any reduction in the hold-harmless, the 3-B or the low-rent housing will impact upon us. Twenty years ago, in 1958, the Alexandria city schools had a budget of $5.1 million——

Mr. **Kildee.** We lost our power, just a minute.

Mr. **Harris.** You have probably been here any number of times before, do you suppose they just blew a fuse?

Dr. **Stubbings.** I suspect.

Mr. **Kildee.** I think we will proceed. We, at this end, are use to using a lot of wind.

Dr. **Stubbings.** We will not be deterred by VEPCO.

As I was saying, 20 years ago, in 1958, we had a school budget in Alexandria of $5.1 million. Of that $5.1 million, $1.1 million in revenues were Federal funds; that was about 21.9 percent of our total school budget. About half the Federal funds we received, about $480,000-some, were funds derived from Public Law 874—that was 9.4 percent of our budget. Today, 20 years later, in 1978, under Public Law 874 we are projecting revenues of $775,000, which is only 2.5 percent of our total budget. At the same time, we have more and more demands for our resources. So, the proportion that Public Law 874 funds are contributing have diminished substantially.

Our local contribution, on the part of the city of Alexandria, has increased substantially over that same period, since 1958. The city contribution to the school budget was 62 percent in 1958; now they contribute 84 percent.

If we look at Federal properties in Alexandria and public housing units within the city, we are talking about combined real estate values in the neighborhood of $48 million, and if those were on our tax rolls, the revenues would provide the city of Alexandria with over $800,000. We have to look at the loss of revenue that we face as far as sales taxes are concerned, with military personnel shopping at Cameron Station, our major Federal Government installation; and the loss of revenue that we face as a result of other factors, such as the exemptions that military personnel face with personal property tax and licensing of vehicles.

Do not misunderstand me, I am not objecting to the financial impact of military personnel being in our area; on the other hand, I would like to say that we sometimes welcome that as long as we can get some relief through Federal funds, particularly Public Law 874.

One factor that I would like to mention, that perhaps has not been voiced as frequently as these other factors over the past several decades is the factor that we face in regards to the quality of education that is expected in Alexandria. I cannot give you an objective measurement or assessment of the impact that the Federal Government has on the quality of education in Alexandria, but I can tell you this, most of the Federal employees residing in the Alexandria community have extremely high standards for the kind of education that they want their children to have. And as a result, Alexandria has been in the top three school divisions in the State of Virginia during the past 10 years as far as per-pupil expenditures are concerned. That is a fairly substantial amount of money that we are talking about.

Employees of the Federal Government have been, and continue to be strong supporters of the public schools in Alexandria. We welcome their support and the confidence that they have shown in public education. We urge you to continue with impact aid funds, so that we may continue to provide the quality education which the parents of children in Alexandria have learned to expect in recent years.

Thank you for your attention, and for providing all of us here an opportunity to speak to you on this issue.

Mr. Kildee. Dr. Stubbings, before I turn to the other members of the panel I would like to ask one question myself. To what extent do you feel you would have to increase taxes to compensate for the reductions proposed by the administration's bill? We all know that there are some problems in anything like this, but what problems particularly would you have in raising local revenues to the necessary level to keep the quality of education that you have spoken about?

Dr. Stubbings. Well, I spoke with the director of the city's budget office on this issue, and in the relatively short period of time between the announcement of the hearing and this evening, it was not possible for us, the city, to project the kind of impact you are talking about.

I was asked the question in a different way. If we were faced with the loss of Public Law 874 funds, how would the school system go about recouping that loss. There are two methods available to us. No. 1, to seek a supplemental appropriation from the City of Alexandria; and No. 2 is, just to do the best we can without three-quarters of a million dollars.

We are projecting reducing 20 teaching positions; 26 custodial positions—we are tightening our belts drastically for next year as it is. I doubt very seriously if we could tighten our belts that much more if we were to lose these funds.

How we would go about making up the revenue, I suspect that our school board would have to go back to the city of Alexandria and request a supplemental appropriation.

Mr. Kildee. And the city of Alexandria depends basically on property taxes for this?

Dr. Stubbings. Yes, they do. As I indicated earlier, 84 percent of our total school budget is now made up of city revenues, almost the entire amount of that is real estate tax on the part of the citizens.

Mr. Kildee. Thank you very much. Congressman Harris?

Mr. Harris. Thank you very much. I notice you said 84 percent is from the city, 2.5 percent Federal; that apparently leaves 14 percent State?

Dr. Stubbings. 14 percent State—and declining. [Laughter.]

Mr. Harris. How much is that declining, how does that relate to the State formula in the past?

Dr. Stubbings. Well, the State legislature at the present time is in the process of considering an appropriations bill. The first version of that appropriations bill would have eliminated approximately $3 million in State aid to the Alexandria schools for the second year of the biennium, which would be 1979-80. As I understand it, the appropriations bill that is now under consideration has part of that amount added back, $2.6 million.

The point is that over the years we are faced with greater and greater demands on the Federal level and the State level—special education. The special education laws that have been enacted have cost the city of Alexandria tremendous sums of money, and we pride ourselves on the amount of money that we have spent per pupil. Our high schools offer 240 different courses for the most talented students, and for those who are less academically oriented. We spent an immense amount of money, over $1 million on tuition for special education students out of the school system. All of the mandates that are passed on to us we are trying to meet, and we are having great difficulty finding the funding.

Mr. HARRIS. Thank you very much, Mr. Chairman.

Mr. KILDEE. Congressman Heftel?

Mr. HEFTEL. Thank you, Mr. Chairman.

What is the total budget for your school system?

Dr. STUBBINGS. In the current fiscal year $30,644,000.

Mr. HEFTEL. Have you had a chance to project the amount of decrease that will be the effect of these changes by 1982?

Dr. STUBBINGS. No, we have not.

Mr. HEFTEL. I have a read-out here, and Jack Jennings is sitting to our left and can verify the figures. It appears that it is a decrease of roughly $3 million. Is that about right for Fairfax?

Mr. HARRIS. This is Alexandria.

Mr. HEFTEL. Oh, this is Alexandria.

Dr. STUBBINGS. Yes, Alexandria City.

Mr. HEFTEL. You have a decrease of about half a million.

Dr. STUBBINGS. Yes.

Mr. HEFTEL. Is that confirmed by your interpretation?

Dr. STUBBINGS. That would sound to be in the neighborhood, yes. Right now we are projecting $775,000.

Mr. HEFTEL. It appears $240,000 will go out in 1982, and $256,000 will go out almost immediately.

Dr. STUBBINGS. Right.

Mr. HEFTEL. And the total would be roughly half a million dollars that you would lose which, I assume, is not replaceable except by increases in the property tax; is that correct?

Dr. STUBBINGS. Yes.

Mr. HEFTEL. I was looking at the Fairfax figures. To what extent do all of the school districts relate to each other here, are they all independent?

Just an observation because in Hawaii we have a single school district for the entire State. So, it is quite different from the way that you have to function. That is very important to note.

Mr. HARRIS. If my colleague would yield. We have not suggested such a system for Virginia yet. [Laughter.]

Mr. HEFTEL. Obviously the advantage is that you are not at the mercy of property taxes.

Dr. STUBBINGS. Right.

Mr. HEFTEL. But the reason I mentioned it is, when Fairfax comes in to testify it will be interesting to see how they are going to handle roughly $2.5 million.

That is all I have, thank you.

Mr. KILDEE. Thank you very much, Mr. Heftel. Thank you very much, Dr. Stubbings.

Dr. STUBBINGS. Mr. Chairman, if I may, the chairman of the Alexandria school board, Mr. Carlisle Ring is beside me, and he has a very brief comment he would like to make.

Mr. KILDEE. Certainly.

STATEMENT OF CARLISLE RING, CHAIRMAN, SCHOOL BOARD, CITY OF ALEXANDRIA

Mr. RING. If I may, I do appreciate your interest in being here. I want to, on behalf of the School Board, endorse the statement of the administration; and also the statements of the Alexandria PTA Council, and the Alexandria Citizens Federation, both of whom will be appearing. I know what their statements contain, and I endorse them in advance.

Let me briefly say that half a million dollars would represent about a 5 percent increase in the property tax rate in order to support public education in the city of Alexandria. I rather suspect because of the increased financial crunch in the city in connection with METRO, social welfare costs, and the other costs of the city government that it is highly probable that we could not get support from the city council for a five percent increase.

Consequently, we would probably be in the posture, as Dr. Stubbings has indicated, that we would have to cut programs, cut programs in a city that has a very high proportion of disadvantaged youngsters who require a substantial amount of service in order to provide them with an equal educational opportunity. So, this is a very serious matter, and we do hope that this committee will support the continuation of impact aid at the current level.

Mr. KILDEE. Thank you very much, Mr. Ring and Dr. Stubbings.

Our next witness is Mr. Rodney F. Page, chairman of the Fairfax County school board, and Mr. Barry Morris, associate superintendent for school services, Fairfax County Public Schools.

Since we are still without mikes, just speak as loudly as you can, so those in the back can hear your testimony, also. If you cannot hear me in the back, wave your hand, and I will raise my voice.

All right, I will raise my voice now. So, since you are speaking this way, speak as loudly as you can, so the people in the back will have the benefit of your testimony.

STATEMENT OF RODNEY F. PAGE, CHAIRMAN, FAIRFAX COUNTY SCHOOL BOARD AND BARRY MORRIS, ASSOCIATE SUPERINTENDENT FOR SCHOOL SERVICES, FAIRFAX COUNTY PUBLIC SCHOOLS

Mr. PAGE. I will, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I am Rodney Page, chairman of the Fairfax County school board. Our board deeply appreciates this opportunity to address the subcommittee regarding the President's proposal to rewrite impact aid legislation with the stated objective of reform.

As you know, "reform" was the same objective established by President Nixon, which led to the Education Amendments of 1974, Public Law 93–380, as those amendments related to impact aid. That "reform" eliminated all out-of-State "B" pupils, a "reform" which cost Fairfax County millions of dollars. The education community did not oppose this "reform" vigorously because it was viewed by many as a compromise which finally would stabilize the program on a sound legislative base and eliminate the annual attacks on the program by every administration since President Truman's.

Quite obviously, the compromise on out-of-State "B" pupils was nothing but the Department of Health, Education, and Welfare's first step at eliminating all the various entitlement categories of funding. The elimination of the alleged abuses of that period, wherein Metropolitan Washington school systems received what was called "excessive" impact aid, now are followed by rationales to support an additional reduction of entitlement, namely, the elimination of out-of-county "B" pupils. At some date in the near future additional amendments will be proposed by the administration. In fact, Mr. Califano's testimony before this subcommittee on February 28, 1978, clearly stated this intent.

It is the position of the Fairfax County school board that additional reform is not required. If anything, the denial of Federal aid for pupils whose parents happen to have to cross the Potomac to go to work was an unjust denial of a required Federal contribution in lieu of payment of property tax. The Federal presence in Fairfax County is costly to our citizens through our inability to levy real estate taxes on Federal property within the county. That land, if on our tax rolls, would yield a significantly greater payment to Fairfax County than the payment of impact aid, which was designed to recognize the cost of the Federal presence through aid to educate the children of Federal employees. The latter is more equitable from the viewpoint of most school systems as Federal property is limited within many school system boundaries.

In discussing the administration's proposed changes to the impact aid law, our board obviously is opposed to the President's proposal to effect further reductions in the law by eliminating out-of-county "B" pupils, adding a three percent absorption factor, receiving reimbursement on the basis of a statewide average of costs, and perhaps other unidentified reductions. I will address these proposals in general. The division superintendent will speak more specifically to them.

There is no basis for eliminating out-of-county "B" pupils, no more basis than there was for eliminating out-of-State "Bs". It is our belief that a political compromise was made with the earlier amendments, which resulted in the elimination of the out-of-State "Bs". We believe that compromise was for impact aid program stability, traded for a significant reduction in aid, particularly for the so-called "affluent" school divisions surrounding Washington, D.C.

The fact is that our affluence is deceptive and is due to the costs we must pay to live in this area, which itself is due in no small part to the Federal presence.

The subcommittee may be interested to learn that the wealth supporting each child in Fairfax County, based on 1975 values of real estate and public service corporations, is exceeded by 28 school divisions in the State, only 5 of which are located in Northern Virginia. The subcommittee should also know that the equivalent true tax rate being borne by Fairfax County residents is exceeded by only six other jurisdictions, of 141 school divisions within the State. These statistics, which I have attached for the committee's review to my statement [1] bear out our position that we are not as affluent as assumed by many, and that the citizens of Fairfax County tax themselves heavily to support their schools. Congressional acceptance of the President's proposed reforms on impact aid would only accentuate that burden.

The most unbelievable proposal of all is the requirement that any approved amendments to impact aid legislation be effective in fiscal year 1979. Surely, HEW and the Office of Education are aware that school division budgets for next year—fiscal 1979— are being finalized at this very time. In the case of Fairfax County, the school board approved next year's budget on February 9. The County Board of Supervisors is scheduled to act on all county budgets on May 8, at which time the tax rate for next year will be established. It is nothing short of irresponsible for the administration to recommend that its proposals be effective next school year, which commences approximately on September 1, one month prior to the beginning of the Federal fiscal year on October 1, 1978. This problem would be resolved simply by application of the "Tydings amendment" for Fiscal Year 1979 so that Congress can debate the issues involved.

On a more positive note, our school board is very pleased to note the recommendation to advance fund the impact aid program. This action is long overdue. It would provide this program with the same financial security as is now provided title I and vocational education, among other educational appropriations.

I know that the subcommittee appreciates that my comments are based on material not released by the administration until last Tuesday, the details of which have not yet been received by school administrators.

I want to close this testimony again by thanking the subcommittee for coming to northern Virginia to receive our comments on the impact aid. Our school board has high expections that the administration will again "march down the Hill in the summer without [2]" these reforms.

I would be pleased to respond to any questions you have, Mr. Chairman.

[Accompanying tables follow:]

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[1] Table 7, pp. 56–60 of "Facing Up 12," statistical data on Virginia's public schools, Department of Education, Commonwealth of Virginia, December 1977.

[2] From testimony of HEW Secretary Califano before this subcommittee on February 28, 1978.

Facing up 12

STATISTICAL DATA ON VIRGINIA'S PUBLIC SCHOOLS

DEPARTMENT OF EDUCATION ■ DECEMBER 1977

TABLE 7

BASIC INFORMATION CONCERNING LOCAL DIVISIONS

(Based on 1975 True Values Real Estate and Public Service Corporations and 1976-77 Expenditures)

1	2	3	4		5	6		7		8	
COUNTIES	A.D.M.* 1976-77	True Values of Locally Taxed Property (1975): Real Estate and Public Service Corporations	Wealth per Child Based on 1975 Values of Real Estate & Public Service Corps. Col. 3 ÷ Col. 2		Local Expenditures (Operation) **	Equivalent True Tax Rate Col. 5 ÷ Col. 3		Total Cost per Pupil in Regular Day School Only 1976-77		Local Expenditures per Pupil (Operation)**	
				Rank			Rank	***	Rank	Col. 5÷ Col. 2	Rank
Accomack	5,994	$ 353,412,000	$ 58,961	52	$ 2,546,572	.72	50	999	74	425	63
Albemarle	9,910	958,693,000	96,740	18	7,517,135	.78	40	1,232	14	759	8
Alleghany	3,447	128,240,000	37,203	89	1,214,197	.95	17	963	83	352	88
Amelia	1,886	131,018,000	69,469	38	809,935	.62	78	1,242	13	429	61
Amherst	5,711	267,930,000	46,915	74	1,994,440	.74	48	932	92	349	89
Appomattox	2,845	151,782,000	53,350	63	1,098,822	.72	50	964	82	386	76
Arlington	18,974	3,661,167,000	192,957	2	33,464,582	.91	22	2,131	1	1,764	1
Augusta	11,584	698,931,000	60,336	49	4,987,232	.71	53	1,016	68	431	60
Bath	1,185	99,048,000	83,585	22	700,402	.71	53	1,213	17	591	21
Bedford	7,947	458,392,000	57,681	56	4,135,753	.90	24	1,091	43	520	33
Bland	1,188	48,932,000	41,189	84	291,859	.60	82	848	94	246	94
Botetourt	4,886	293,043,000	59,976	51	2,410,259	.82	34	1,057	51	493	39
Brunswick	3,378	192,009,000	56,841	57	1,713,422	.89	26	1,197	18	507	35
Buchanan	9,469	661,606,000	69,871	36	4,720,972	.71	53	1,133	34	499	37
Buckingham	2,871	226,007,000	78,721	26	1,211,153	.54	88	1,055	54	422	65
Campbell	10,264	417,037,000	40,631	85	4,722,209	1.13	9	1,073	47	460	50
Caroline	3,878	271,476,000	70,004	34	1,624,978	.60	82	1,016	68	419	68
Carroll	5,530	239,647,000	43,336	80	1,898,197	.79	39	996	76	343	90
Charles City	1,783	99,750,000	55,945	60	808,846	.81	36	1,094	42	454	52
Charlotte	2,955	147,060,000	49,766	69	1,130,278	.77	42	1,087	44	382	78
Chesterfield	29,825	1,728,532,000	57,956	54	20,620,134	1.19	5	1,138	32	691	10
Clarke	1,967	200,022,000	101,689	13	1,314,765	66	66	1,170	23	668	15
Craig	811	53,127,000	65,508	43	357,375	.67	64	1,229	15	441	56
Culpeper	4,917	410,806,000	83,548	23	2,612,154	.64	73	1,027	64	531	31
Cumberland	1,801	90,903,000	50,474	66	694,502	.76	45	1,054	55	386	76
Dickenson	4,404	197,648,000	44,879	76	2,092,315	1.06	12	1,195	19	475	45
Dinwiddie	5,211	252,577,000	48,470	71	2,268,445	.90	24	1,134	33	435	59
Essex	1,949	197,248,000	101,205	14	1,256,598	.64	73	1,275	9	645	17
Fairfax	134,576	11,516,578,000	85,577	21	156,272,556	1.36	2	1,607	3	1,161	3

TABLE 7—Continued

1	2	3	4		5	6		7		8	
COUNTIES	A.D.M.* 1976-77	True Values of Locally Taxed Property (1975): Real Estate and Public Service Corporations	Wealth per Child Based on 1975 Values of Real Estate & Public Service Corps. Col. 3 ÷ Col. 2	Rank	Local Expenditures (Operation) **	Equivalent True Tax Rate Col. 5 ÷ Col. 3	Rank	Total Cost per Pupil in Regular Day School Only 1976-77 ***	Rank	Local Expenditures per Pupil (Operation)** Col. 5 ÷ Col. 2	Rank
Fauquier	7,700	841,921,000	109,340	9	5,324,452	.63	76	1,081	45	691	10
Floyd	2,272	156,714,000	68,976	39	1,011,007	.65	69	1,033	62	445	54
Fluvanna	2,334	232,469,000	99,601	17	1,268,075	.55	86	1,065	49	543	28
Franklin	7,267	322,530,000	44,383	77	2,646,200	.82	34	948	88	364	82
Frederick	7,710	550,254,000	71,369	32	3,654,149	.66	66	1,018	67	474	47
Giles	4,016	232,342,000	57,854	55	2,117,019	.91	22	1,140	31	527	32
Gloucester	3,705	301,547,000	81,389	24	2,100,319	.70	57	1,048	57	567	24
Goochland	2,382	296,626,000	124,528	6	1,734,728	.58	85	1,278	8	728	9
Grayson	3,008	141,683,000	47,102	73	1,076,790	.76	45	1,021	65	358	85
Greene	1,630	98,446,000	60,396	48	608,748	.62	78	993	78	373	80
Greensville	3,604	184,331,000	51,146	65	1,531,300	.83	32	1,072	48	425	63
Halifax	7,101	311,919,000	43,926	78	2,993,673	.96	16	1,109	38	422	65
Hanover	11,354	812,432,000	71,555	31	5,489,072	.68	61	949	87	483	42
Henrico	34,935	2,707,762,000	77,509	28	32,203,538	1.19	5	1,308	7	922	4
Henry	13,320	525,143,000	39,425	86	5,276,214	1.00	13	994	77	396	74
Highland	443	68,952,000	155,648	3	336,990	.49	89	1,409	4	761	7
Isle of Wight	4,696	320,887,000	68,332	40	2,293,635	.71	53	1,077	46	488	41
James City	See Williamsburg City										
King George	2,420	153,094,000	63,262	47	1,038,776	.68	61	1,056	52	429	61
King & Queen	1,105	115,624,000	104,637	11	739,418	.64	73	1,387	5	669	14
King William	1,436	144,136,000	100,373	16	799,577	.55	86	1,260	10	557	26
Lancaster	1,923	199,283,000	103,631	12	1,316,201	.66	66	1,169	24	684	13
Lee	5,554	152,339,000	27,429	94	1,737,624	1.14	8	1,131	35	313	92
Lo[illegible]un	14,018	1,409,199,000	100,528	15	11,256,047	.80	37	1,173	22	803	6
Louisa	3,999	554,297,000	138,609	4	1,914,960	.35	93	1,044	58	479	43
Lunenburg	2,686	145,606,000	54,209	62	1,045,871	.72	50	1,099	40	389	75
Madison	2,146	166,391,000	77,535	27	1,160,933	.70	57	1,037	61	541	29
Mathews	1,470	154,194,000	104,894	10	745,423	.48	90	1,100	39	507	35
Mecklenburg	6,386	276,021,000	43,223	81	2,596,521	.94	19	1,052	56	407	72
Middlesex	1,405	173,774,000	123,683	7	839,021	.48	90	1,156	28	597	20
Montgomery	9,481	492,335,000	51,929	64	4,661,286	.95	17	1,044	58	492	40
Nelson	2,727	176,910,000	64,873	44	1,548,242	.88	27	1,222	16	568	23
New Kent	1,713	159,860,000	93,322	19	1,043,812	.65	69	1,181	21	609	19

TABLE 7—Continued

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COUNTIES	A.D.M.* 1976-77	True Values of Locally Taxed Property (1975): Real Estate and Public Service Corporations	Wealth per Child Based on 1975 Values of Real Estate & Public Service Corps. Col. 3 ÷ Col. 2	Rank	Local Expenditures (Operation) **	Equivalent True Tax Rate Col. 5 ÷ Col. 3	Rank	Total Cost per Pupil in Regular Day School Only 1976-77 ***	Rank	Local Expenditures per Pupil (Operation)** Col. 5 ÷ Col. 2	Rank
Northampton	2.805	141,254,000	50.358	67	1.586.689	1.12	11	1,245	12	566	25
Northumberland	1.800	200,876,000	111,598	8	1,241,166	.62	78	1,257	11	690	12
Nottoway	3.190	138,278,000	43,347	79	1,345,505	.97	15	1,031	63	422	65
Orange	3.981	295,440,000	74,213	30	2,448,387	.83	32	1,146	29	615	18
Page	4.127	247,543,000	59,981	50	1,911,445	.77	42	954	84	463	49
Patrick	3,663	184,178,000	50,231	68	1,363,026	.74	48	968	81	372	81
Pittsylvania	14,879	567,603,000	38,148	87	4,791,877	.84	29	1,012	73	322	91
Powhatan	2.394	140,377,000	58,637	53	914,417	.65	69	951	86	382	78
Prince Edward	2.241	173,054,000	77,222	29	1,198,017	.69	59	1,169	24	535	30
Prince George	5,431	169,438,000	31,198	93	1,452,472	.86	28	1,056	52	267	93
Prince William	39,354	2,139,858,000	54,375	61	33,239,631	1.55	1	1,317	6	845	5
Pulaski	7,829	356,092,000	45,484	75	2,843,993	.80	37	954	85	363	84
Rappahannock	1.159	156,275,000	134,836	3	663,954	.42	92	1,016	68	573	22
Richmond	1.550	108,506,000	70,004	34	851,255	.78	40	1,129	36	549	27
Roanoke	23,738	1,180,677,000	49,738	70	15,434,918	1.31	3	1,158	27	650	16
Rockbridge	3.791	243,439,000	64,215	45	1,817,602	.75	47	1,059	50	479	43
Rockingham	11.233	751,319,000	66,885	41	4,997,624	.67	64	971	80	445	54
Russell	6,754	322,793,000	47,793	72	3,031,656	.94	19	1,098	41	449	53
Scott	5,478	176,464,000	32,213	91	1,994,645	1.13	9	1,015	71	364	82
Shenandoah	5,662	458,030,000	80,895	25	2,810,514	.61	81	974	79	496	38
Smyth	7,282	277,019,000	38,042	88	2,566,396	.93	21	943	91	352	86
Southampton	3,913	218,972,000	55,960	59	1,835,974	.84	29	1,182	20	469	48
Spotsylvania	7.370	466,532,000	63,301	46	3,051,486	.65	69	916	93	414	69
Stafford	8,623	487,177,000	56,497	58	3,756,158	.77	42	997	75	436	58
Surry	1.399	512,243,000	366,149	1	1,758,380	.34	94	1,703	2	1,257	2
Sussex	2,844	199,205,000	70,044	33	1,247,314	.63	76	1,125	37	439	57
Tazewell	10,987	388,346,000	35,346	90	4,467,298	1.15	7	1,020	66	407	72
Warren	4.231	366,576,000	86,641	20	2,188,501	.60	82	947	89	517	34
Washington	9,580	401,257,000	41,885	82	3,957,774	.99	14	1,040	60	413	70
Westmoreland	2.566	178,293,000	69,483	37	1,218,012	.68	61	1,143	30	475	45
Wise	9,964	317,412,000	31,856	92	4,077,694	1.28	4	1,015	72	409	71

TABLE 7—Continued

1	2	3	4		5	6		7		8	
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Wythe	5.369	224.538.000	41,821	83	1,889,660	.84	29	944	90	352	86
York	9.567	628,232,000	65,667	42	4,362,711	.69	59	1,169	24	456	51
TOTAL COUNTIES	711.846	$49,548.938,000	$69,606		$492,915,859	.99		1,224		692	
TOWNS											
Cape Charles	358	13.033.000	36.405	3	130.839	1.00	2	993	3	365	4
Colonial Beach	531	45.571.000	85.821	1	309,050	.68	4	1,102	2	582	2
Fries	481	5,817,000	12,094	4	272,128	4.68	1	879	4	566	3
Saltville	See Smyth County										
West Point	758	59.801.000	78,893	2	569,362	.95	3	1.165	1	751	1
TOTAL TOWNS	2.128	$124.222,000	$58,375		$1,281,379	1.03		1,056		602	
CITIES											
Alexandria	13.572	2,143,241,000	157.916	2	23,178,032	1.08	26	2,135	2	1,708	2
Bedford	See Bedford County										
Bristol	3.985	192.212.000	48,234	28	1,962,322	1.02	30	1,059	31	492	31
Buena Vista	1.515	57,931,000	38,238	36	675,917	1.17	21	987	35	446	33
Charlottesville	6.102	538,311,000	88,219	6	7,365,253	1.37	5	1.673	3	1,207	4
Chesapeake	27.135	1,134.014.000	41,792	34	12,050,835	1.06	29	1,084	30	444	34
Clifton Forge	1.043	44.237.000	42.413	33	717,302	1.62	3	1,253	17	688	19
Colonial Heights	3.914	204.212.000	52,175	24	2,184,354	1.07	27	1,044	32	558	27
Covington	1.984	111.494.000	56,197	19	1,195,404	1.07	27	1,092	27	603	24
Danville	8.482	456.733.000	53,847	21	5,037,524	1.10	24	1,107	26	594	25
Emporia	See Greensville County										
Fairfax	4.584	439.944.000	95,974	4	6,120,508	1.39	4	1,666	4	1.335	3
Falls Church	1.475	258.214.000	175,060	1	3,056,634	1.18	18	2.395	1	2,072	1
Franklin	1.906	70.859.000	37,177	37	1,157,284	1.63	2	1,237	18	607	22
Fredericksburg	2.629	247.915.000	94,300	5	2,923,062	1.18	18	1,417	9	1,112	6
Galax	1.459	91.155.000	62,478	16	1,067,128	1.17	21	1.156	21	731	16
Hampton	29,009	1,276,381,000	43,999	31	16,326,226	1.28	10	1,167	19	563	26

TABLE 7—Continued

1	2	3	4		5	6		7		8	
CITIES	A.D.M.* 1976-77	True Values of Locally Taxed Property (1975): Real Estate and Public Service Corporations	Wealth per Child Based on 1975 Values of Real Estate & Public Service Corps. Col. 3 ÷ Col. 2	Rank	Local Expenditures (Operation) **	Equivalent True Tax Rate Col. 5 ÷ Col. 3	Rank	Total Cost per Pupil in Regular Day School Only 1976-77 ***	Rank	Local Expenditures per Pupil (Operation)** Col. 5÷ Col. 2	Rank
Harrisonburg	2.562	224.535.000	87.641	7	2,465.605	1.10	24	1.326	12	962	11
Hopewell	5.251	255.533.000	48.664	27	3.173.509	1.24	13	1.156	21	604	23
Lexington	1.015	68.694.000	67.679	13	696.573	1.01	31	1.144	24	686	20
Lynchburg	11.625	790.500.000	68.000	12	10.514.943	1.33	6	1.313	14	905	12
Manassas	2.941	243.804.000	82.898	10	3.136.078	1.29	9	1.336	11	1.066	7
Manassas Park	2.051	65.084.000	31.733	38	570,744	.88	34	861	38	278	37
Martinsville	3.795	206.918.000	54.524	20	2.556.297	1.24	13	1.160	20	674	21
Newport News	29.585	1.680.882.000	56.815	17	21.556.108	1.28	10	1.270	15	729	17
Norfolk	45.568	2.401.595.000	52.704	23	31.914.264	1.33	6	1.314	13	700	18
Norton	1.150	53.838.000	46.816	30	608.675	1.13	23	1.092	27	529	28
Petersburg	8.888	418.265.000	47.060	29	7.097.406	1.70	1	1.457	8	799	13
Poquoson	2.079	80.465.000	38.704	35	523.537	.65	38	886	37	252	38
Portsmouth	21.799	945.199.000	43.360	32	11.212.375	1.19	17	1.148	23	514	30
Radford	1.987	105.882.000	53.287	22	1.048.250	.99	32	1.091	29	528	29
Richmond	35.839	3.039.240.000	84.803	9	40.529.774	1.33	6	1.652	5	1.131	5
Roanoke	15.713	1.196.302.000	76.135	11	15.143.196	1.27	12	1.473	7	964	10
Salem	See Roanoke County										
South Boston	1.486	73.087.000	49.184	26	681.432	.93	33	1.028	34	459	32
Staunton	4.077	258.674.000	63.447	15	3.039.797	1.18	18	1.141	25	746	15
Suffolk	10.978	564.900.000	51.457	25	4.546.505	.80	36	1.031	33	414	35
Virginia Beach	56.055	3.167.781.000	56.512	18	21.3[illegible]3.605	.68	37	971	36	381	36
Waynesboro	3.651	233.319.000	63.906	14	2.8[illegible].599	1.21	16	1.261	16	776	14
Williamsburg	5.023	591.485.000	117.755	3	4.9[illegible].657	.84	35	1.484	6	990	9
Winchester	3.532	300.299.000	85.022	8	3.72[illegible].924	1.24	13	1.361	10	1.055	8
TOTAL CITIES	385.444	$24.233.134.000	$62.871		$278.948.638	1.15		1.276		724	
GRAND TOTALS	1.099.418	$73.906.294.000	$67.223		$773.145.876	1.04		1.242		703	

*ADM for purpose of determining per pupil costs

**Local operation including Regular Day School, Summer Schools and Adult Education

***Not to be used as a basis for checking compliance with the $790 Requirement (Standards of Quality)

Bedford County includes Bedford City
Greensville County includes Emporia City
James City County included in Williamsburg City
Roanoke County includes Salem City
Smyth County includes Town of Saltville

Mr. **Kildee.** Maybe we will take your colleague and then have questions jointly. Mr. Morris, would you give your testimony now?

Mr. **Morris.** Yes, Mr. Chairman. I am here representing Dr. S. John Davis, who is the superintendent; I am his deputy. He is at a national recognition dinner for the Westinghouse science talent search, we happen to have one of the national winners. So, he is there participating in the award ceremony.

I would just like to summarize and then file his statement, bring out a few points from it.

Mr. **Kildee.** Fine, we will introduce the testimony fully in the record, and you may summarize.

Mr. **Morris.** Thank you, sir.

The administration's proposed changes to impact aid legislation do pose a serious threat to the quality of education in Fairfax County. It was our understanding that Congress and the executive branch had reached agreement on impact aid with the Education Amendments of 1974. In that "reform" as it was called, Fairfax County public schools lost 15,700 pupils from the total of 41,000 impact aid pupil count at that time. In addition we had the level of payment reduced for most of the remaining students.

The first proposal is the request that the out-of-county "B" pupils be eliminated. Mr. Page has commented on that. I would simply like to point out that this would mean the loss of an additional 6,000 pupils in Fairfax County, who would be eligible for impact aid. These students cost us $11.7 million to educate, of which $1.6 million is now provided through impact aid. That amount would be lost through that provision.

I just point out that approximately 5,000 of these 6,000 pupils are connected with the Pentagon in Arlington County just next door. In fact, they are almost literally across the street from us, which means that none of the impact aid for those pupils would be available to support their education, nor would it be available to Arlington, where the Pentagon is located.

The next item in the Administration's bill is the absorption proposal. This would require that Fairfax County schools eliminate another 3,000 otherwise eligible students from a total of 20,000; this would bring that down, then, to about 17,500 remaining of the 41,000 we had before. These 3,000 students cost us $6 million to educate, of which about one million comes from Federal impact aid.

I would like to mention a little bit about the character of our school budget. Our school budget is generally comprised of about 85 percent salaries. This is by far the major part of the budget, and the major part of that, of course, is for teachers' salaries. Our teacher salaries, as well as all our salaries, are geared to the Federal levels, including the cost of living as it applies to this area, as opposed to how it would apply State-wide.

The third proposal of the administration is that we would establish a rate of contribution based on the average per pupil expenditure for the State, rather than upon the average for a school district of comparable nature. I think it would be unthinkable to suggest that we would provide a program for federally connected pupils which is based on the State average, while continuing to maintain the Fairfax County standard for the rest of the pupils that we have in our school system. And yet, that is the kind of rationale that is behind this proposal, obviously.

The present rate structure requires the Government to pay approximately the same rate for its dependent children as is paid by all others in the school system. The citizens of Fairfax County, many of which are Federal employees, demand a certain quality of education for their children, and are willing to pay the cost. The Federal Government, as an employer, should pay the going rate for the services it receives just as every other business and home owner does.

Finally, the administration proposes that those who so carefully worked out the impact aid compromise in 1974, that we not keep faith with that compromise. It included several "harmless" and "phase-out" policies to ease the pain for those districts that were adversely affected by those changes. The administration now advocates eliminating those provisions before they have run their course.

I do not know if Mr. Page mentioned the total cost in our budget. It comes to $8.7 million in the second year of the implementation of this proposal, and included in Dr. Davis' statement are some of the effects that an $8.7 million cut would have on our budget.

I would mention that one of those is the elimination of some 544 teachers, plus 730 custodial personnel—or, to put it another way, if we put it all into teachers, it would increase the average class size by five or six students. Whatever we do, we certainly would not expect that the local tax rate could bear an $8.7 million increase in the local cost of this program; and certainly our program—both for regular and special education students—would suffer.

Thank you, Mr. Chairman.

Mr. **Kildee**. All right, Mr. Harris, any questions?

Mr. **Harris**. It seems to me like we have gone over this before, Mr. Morris; does it not to you?

Mr. **Morris**. Yes.

Mr. **Harris**. Mr. Morris and I have worked together on schools for a long time. When you referred to the 1974 compromise, I wonder if you would advise me how long it took HEW to go back on the compromise. I do not think you meant to imply that this is the first year they have done it; did you?

Mr. **Morris**. I was dealing here with the proposed changes now. Mr. Kiel, who is our assistant superintendent for financial services, works with those figures and I would like to introduce Myron Kiel to answer that question.

Mr. **Harris**. Fine.

Mr. **Kiel**. I would suggest that the "compromise" of 1974 was in fact attempted to be diluted, if not eliminated no later than the next fiscal year. Now we have a specific hard attack on the Democratic administration and a Democratic Congress, which was different, perhaps, when we had a Republican administration.

Mr. **Harris**. I seem to recall some sort of a fight in 1975, and some sort of a fight in 1976 to restore funds with regard to the impact aid; in both cases it was with strong administration opposition, but we were successful then. So the compromise—and I do not know who talked you all into that compromise— but that compromise of 1974 did not hold up very well. I mean, did you get any signed letters on that compromise, any sort of agreements that were signed?

Mr. KIEL. I know of none.

Mr. HARRIS. Can you track with me, if you will, Mr. Morris and Mr. Page, a situation? We have heard testimony from Alexandria, and we will be hearing testimony from Arlington. But if in fact the out-of-county "B's" were taken out of the formula, we have families in Alexandria that have children in the school system, and whose parents work in Fort Belvoir. If we took out the out-of-county "B's", Alexandria, then, would no longer get any payment for those families; is that correct?

Mr. MORRIS. Yes.

Mr. HARRIS. You would also have families in Fairfax who work at Cameron Station, and Fairfax would no longer get funds for those students. We have families in Fairfax who work in the Pentagon, and Fairfax would no longer get funds for those students. We have families in Arlington who work in Fort Belvoir, and Arlington would no longer get funds for those students.

Now, by doing the out-of-county process with these artificial jurisdictional lines in between, you would have all the jurisdictions losing, even though all remain the same as far as having families who work in Federal installations. Is that the way it would work, if you took the out-of-county "B's" out of the formula?

Mr. MORRIS. That is our problem exactly.

Mr. HARRIS. Thank you, Mr. Chairman.

Mr. KILDEE. Thank you, Mr. Harris. The Chair might point out, since that compromise of 1974, the Fairfax School Districts have lost $2.3 million. So, apparently you did not have much input in that compromise. It is kind of a unilateral compromise, apparently, right?

All right, Mr. Heftel.

Mr. HEFTEL. It is obvious in terms of impact aid that you would be aided by the single school district if you put an umbrella over——

[Laughter.]

Mr. HEFTEL [continuing]. Because you gentlemen, Mr. Morris and Mr. Page are somewhat acquainted from your proximity to the Office of Education at HEW. Do you have a feeling that impact aid is always targeted for elimination or reduction because it does not contribute to any substantial bureaucracy within the Department of Education itself, and that therefore the feeling is, "We will cut that out because it does not provide any of our programs and our staff positions, and then we will let the Congress and the districts fight about getting it back."

Mr. HARRIS. Mr. Morris, you are very brave. I would have handed it off to a politican. [Laughter.]

Mr. MORRIS. He would have handed it back to me. [Laughter.]

Mr. HEFTEL. You notice, I did not hand it to you.

Mr. MORRIS. That is something I have thought about for a great many years. I used to hold the position that Mr. Kiel holds now, beginning about 16 years ago, and we have been in this fight ever since, and even before that, annually going back to the Hill for this thing.

But the Federal impact aid program is the one Federal program that does not carry with it massive amounts of paperwork, planning, regulations, that binds the hands of the local school districts in meeting its needs at the local level. We like it for that reason, as well as for some other reasons.

I truly feel that the people within the administration naturally would prefer to have a program that can be more fully and carefully controlled from the Federal level; and that is precisely the reason why we like it, it is not so controlled.

Mr. **Heftel.** The other question I will direct to you, Herb, as I see you are a member of the panel. What would happen if we were confronted with the school districts saying, for instance, "We are going to charge $1,300 a year, or $1,500 a year for every child from a Fort Belvoir family"?

Mr. **Harris.** I think what would happen is, we would all rush back to the impact aid program.

Mr. **Heftel.** That is why we have the program. I think it is a very reasonable compromise on the part of the school districts, and yet, seemingly they are always being abused by the various compromises. Perhaps that is the problem, the willingness to compromise has been exploited.

Mr. **Harris.** I, in all fairness, as my colleagues know, have tended to be somewhat critical about HEW with regard to some of these activities. In all fairness, I think the current position of HEW represents a compromise from where they want it to be. I think my colleagues will recall that there were memoranda floating around the Speaker's office last fall that would have suggested even larger cuts in this program. That was when my colleagues joined with me in a letter—Congressman Heftel, you signed, and 75 other of my colleagues signed— and HEW then really backed down somewhat from their former position.

I still think that whatever formula they come up with is not based in any way on justice or on substantial rationale. They have just come up with a formula adjustments that will allow them to cut back the program without any real rationale behind them—that is my honest conviction. I am still uncertain in my own mind that between HEW and OMB they see a way to rechannel $300 or $400, or $500 million of educational funds.

Mr. **Kildee.** Thank you, Mr. Morris and Mr. Page.

[The statement of Dr. S. John Davis follows:]

Fairfax County Public Schools
10700 Page Avenue, Fairfax, Virginia 22030

Statement

of

Dr. S. John Davis
Division Superintendent
Fairfax County Public Schools

Presented To

Elementary, Secondary, and Vocational
Education Subcommittee of the U.S.
House of Representatives

March 6, 1978

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Fairfax County Public Schools
10700 Page Avenue, Fairfax, Virginia 22030

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Mr. Chairman,

I am Dr. S. John Davis, Division Superintendent of Fairfax County Public Schools. I thank the Committee for this opportunity to speak with you tonight. Your presence here tonight indicates that you realize that due to the fact that we live and work in this area, we are highly qualified to comment on the effect of the Federal presence on the local community.

The Administration's proposed changes to impact aid legislation are not satisfactory to Fairfax County Public Schools. It was our understanding that Congress and the Executive Branch had reached an agreement on impact aid, with enactment of the Education Amendments of 1974 (PL 93-380). In that "reform" as it was called, Fairfax County Public Schools lost 15,700 of its 41,000 impact aid students and had the level of payments reduced for most of the remaining students. We accepted the elimination of out-of-state "B" pupils, as gracefully as anyone can accept a multimillion dollar loss, because we felt that this would give some much needed stability to the program and let us proceed with the business of educating children.

But, once again, it appears that the Executive Branch has launched yet another attack on impact aid--one that we know will have devastating effects across the country, but that we tend to feel is aimed directly at us in Fairfax County. Therefore, we want to take this opportunity to point out some of the weaknesses in the Administration's position and explain what these proposed changes would do to at least one community.

The first proposal that we note is the request to eliminate the out-of-county "B" pupils. In our schools, we have nearly 6,000 students whose parents work for the Federal government within the State of Virginia, outside of Fairfax County. These students cost us $11.7 million to educate, of which $1.6 million is now provided through impact aid. The remaining $10 million comes from local property tax revenue and state aid. Funding for the impact aid child has always followed that child (until 1974, that is) to his or her classroom and that is as it should be. If the presence of Ft. Belvoir means that Arlington County schools must provide education for 5,000 more students, we think it proper that part of the in-lieu-of-tax payments from Ft. Belvoir should follow those children to Arlington County schools. Similarly, since the operations of the government at the Pentagon have brought 5,000 students into Fairfax County Public Schools, part of that in-lieu-of-tax payment from the Pentagon should follow those children into their schools in Fairfax County. It is our understanding that this is the nucleus of school finance equalization: funding should go where the children are.

The next item in the Administration's bill is an absorption proposal. This proposal would require Fairfax County to eliminate another 3,000 otherwise eligible impact aid students from our reduced total of 20,500 impact students remaining after the elimination of out-of-county "Bs." As I understand this proposal, it applies to all students--"As" and "Bs", military and civilian, handicapped and Indian. These 3,000 students cost us $6 million to educate, of which about $1 million comes from impact aid.

I am not aware of any sound justification for this proposal even though President Nixon and each of his successors has advanced this idea. But I do know what is wrong with it. The qualifying provision requiring 400 students or 3 percent of average daily attendance (ADA) to be Federally connected guarantees that there will be a significant impact before a district becomes eligible under impact aid. In the great compromise of 1974, entitlement rates were adjusted (downward in all cases except one) to reflect the actual cost to the school system. These entitlements have been further reduced by appropriations and payments that result in Fairfax County receiving only 73 percent (as low as 53 percent for some categories) of the amount Congress had determined to be the actual cost to our school system. Fairfax County will spend almost $85 million in the next school year to educate children of Federal employees. Approximately $12.5 million will come from impact aid under the current law and levels of funding, and $72.5 million from the state and local funds. Isn't this sufficient absorption?

Further, the Administration bill includes another devastating proposal. The bill would establish as the base rate of payment or the local contribution rate, an amount equal to one-half the average per-pupil expenditure in the state for all districts, two years preceding, without regard to actual costs or needs. If the Administration lives up to and can deliver on its promise to fully fund impact aid, this change will cost us "only" $1.6 million. If declining funding levels prior to PL 93-380 prevail, this will mean a loss of over $6 million. The Administration claims that this change will treat all districts equally and set a minimum level of payment for the less wealthy districts. As for setting a minimum level, there are two minimums in the law now--one of which is higher in many cases than the minimum proposed by the Administration, especially for the southern states and less wealthy states.

Furthermore, we feel that the current rates do treat all districts equally. The rate for Fairfax County is based on the amount of money local property taxpayers contributed for each nonimpact aid child's education two years preceding. This rate structure requires the government to pay approximately the same rate for its dependent children as is paid by all others in the school system. The citizens of Fairfax County, many of whom are Federal employees, demand a certain quality of education for their children and are willing to pay the cost. The Federal government should pay the going rate for the services it receives just as every other business and homeowner does. The Federal impact aid payment approximates what the Federal government's property tax bill would be.

Finally, the Administration proposes the ultimate injury to those who so carefully worked out the impact aid compromise in 1974. That compromise includes several hold-harmless and phase-out clauses to ease the pain for those districts that were adversely affected by those changes. The changes made in 1974 have not entirely worked themselves out, and some school districts are still covered under those clauses. The Administration not only advocates eliminating these provisions before they have run their course, but in setting up its new 75 percent quick-kill hold-harmless, ignores the fact that these clauses ever existed.

In summary, _if_ this legislation were enacted and fully funded, the loss to Fairfax County would be about $5 million in the first year and an additional $1.4 million in the second year. However, if the Administration does not deliver on its promise to fully fund the program, and current levels of funding persist, our first-year loss will be the same $5 million, but the second-year loss will be about $3.7 million instead of $1.4 million. Based on the Administration's announced attitudes on impact aid, we have some reservation about relying on a full funding promise and we question the ability of the Administration to persuade the Appropriations Committees to provide the funds. The only prudent thing for us to do would be to expect the full $8.7 million reduction and plan accordingly. While I can't state exactly the consequences of a cut of this magnitude, since our School Board and County Board of Supervisors must make these decisions, I can spell out what $8.7 million could mean:

- The county could finance the loss with a tax increase to raise an additional $8.7 million. It is highly unlikely that the County Board of Supervisors would approve such an increase since the current tax rate of $1.74 per $100 assessed value provides local support to the schools which is among the highest in the state.
- The county could offset the loss of revenue with budget cuts in other areas, such as fire, police or sanitation. Other county programs and services should not be forced to suffer because of reductions in Federal revenue to the school system, and it is doubtful that this is the course that would be taken.

The most probable result of a $8.7 million reduction in impact aid would be a substantial reduction in the school's budget. The following represents the "impact" a loss of $8.7 million could have on our school budget:

- Reduce the quality of programs for all general education and special education children.
- Increase average class size by between five and six students at all grade levels.
- Eliminate all instructional aides, substitutes, lunchroom aides, and field trips; defer all minor repairs and purchase of new equipment; eliminate a proposed energy conservation program; and reduce textbook purchases.
- Lay off either 544 teachers and 730 custodial personnel, or the entire staff of 531 maintenance and trade personnel, plus 70 clerical employees.
- Reduce summer school to remedial programs only; eliminate assistant principals at elementary schools; eliminate supplemental athletic and academic programs; eliminate band and orchestra; and eliminate all resource teachers.

The list could be expanded, but I am sure that I have made my point. These amounts are not dollars or percentages or tax rates, but represent instructional programs for real children in real classrooms. As with everything else in this business of education, it is ultimately the children who reap the benefits or suffer for our actions.

Mr. Chairman, I know my arguments tonight have not fallen on deaf ears, and I [illegible] that something I have said might help you in your efforts to preserve impact aid. Again, I thank you for this opportunity to appear before this Subcommittee. I will be happy to respond to any questions you might have.

Mr. KILDEE. Our next witness now will be Dr. John R. Rose, director of special services, City of Manassas Public Schools.

Again, your full testimony will be entered into the record and you may summarize for the committee.

Mr. HARRIS. Mr. Chairman, may I say in introduction of Dr. Rose, and Mr. Strickland, who will follow, Manassas and Manassas Park are very new school districts and have very special problems in constructing their school budget because of new orientation. So, they have come the longest way, in my opinion—maybe Stafford will challenge me on that—but they have a very special problem with regard to this.

Mr. KILDEE. Thank you, Congressman Harris. Dr. Rose.

STATEMENT OF DR. JOHN R. ROSE, DIRECTOR, SPECIAL SERVICES, CITY OF MANASSAS PUBLIC SCHOOLS

Dr. ROSE. Mr. Chairman, Congressman Harris, and all other panel members, I am speaking in place of our superintendent who because of a recent operation is not able to be here tonight.

As Congressman Harris mentioned, we are a new school system in our first year of operation. I want to give you a brief background of our system so you understand what we are talking about. We are, unlike our predecessors—my predecessor is here—not a large system but a small system. We serve approximately 3,000 students in four schools—one high school, one middle school, two elementary schools.

We have planned for this summer to enlarge the high school and to enlarge the middle school; and in 1979 to build an additional elementary school which will accommodate the overflow of elementary students that we now have. Many of these students meet the present requirement of Public Law 81-874. I might just say that our students that meet this law come from two categories, either they are military, or out-of-county "B" students.

We are a small system within a large system—that might clarify it a little bit more.

We have in preparation for next year, our allocation, and so forth, under the proposed changes we would only receive approximately 20 percent of the previous amount that we have received. These moneys were placed into our constructional budget and presently provide salaries and benefits for six instructional personnel. Under the proposed plan we would have to delete five of these six instructional personnel. The only solution would be the additional economic burden of the locality that presently must provide additional funding to enlarge these physical plants, or to eliminate the five positions. That would severely damage the quality education that we are trying to provide our students at this time.

Our school board, or school personnel, have never lobbied to have Federal installations located, or their employees located in our jurisdiction. Nevertheless, many families have selected our city because of the small town atmosphere in the larger urban area and our strong school system.

In many cases the families who are employed with the Federal Government, we have no guarantee that these students whom we are preparing a school for and hiring instructional personnel for, will even complete the 5 years, or 4 years, or even 1 year. We feel that this will create an economic lag in our tax base unless we do receive the Federal impact aid.

Now, it is simply a matter of economics in a system our size, and I think that is probably the basis that this public law was established for in the first place. We are becoming larger and many of the families are families that qualify under this funding status. Our school system has gone on record in favoring—and you will see that on the last page of the written statement—feels that the impact aid funds are more applicable in the present administration than the proposed method. Our school system strongly requests this method remain in effect.

Thank you.

[Statement of James J. Leo follows:]

THE CITY SCHOOL BOARD
MANASSAS, VIRGINIA
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JAMES J. LEO
SUPERINTENDENT

JOSEPH B. JOHNSON, CHAIRMAN
ROBERT A. BOYD
DR. WILLIAM H. BARNES

TO: The Subcommittee on Elementary, Secondary and Vocational Education of the House of Representatives

FROM: James J. Leo, Superintendent of Schools, Manassas, Virginia James J. Leo

SUBJECT: Hearing on Public Law 81-874, Federal Aid to Impacted Areas

The City of Manassas Schools are currently in their first year of operation. Our School Board has established a goal of providing each child a fundamentally sound quality education emphasizing a curriculum that stresses "back to basics".

Our system serves approximately 3,000 students in one senior high school, one middle school and two elementary schools. We currently have plans for enlarging our high school and middle school next year and building a new elementary school for 1979. This building program is necessary for the rapid growth of our school age population. Many of these students are from families that meet present requirements for Public Law 81-874 funds.

We submitted our first application for Impact Aid funds for the school year 1976-77 and recently completed our application for the current school year. Presently, we are beginning preparation for the coming year and find that under the proposed changes in Public Law 81-874 we would only receive 20% of the previous amount. These monies are placed into our instructional budget and presently would provide salaries and fringe benefits for six instructional personnel. Under the proposed plan only enough monies would be provided for one instructional person, but the number of students would remain the same. The only solution to this would be: 1) an additional economic burden on the locality that presently must provide additional funding to enlarge the physical plants; or 2) eliminate five instructional positions, thereby severely damaging the quality education that we are desperately trying to provide our students.

Our School Board or school personnel has never "lobbied" to have Federal installations locate or their employees locate in our jurisdiction, nevertheless, many families have selected our city for the "small town" atmosphere and the strong school system. It would seem only a just paradox then for the Federal government to provide some aid in educating these children.

In the case of many families who are employed by the Federal Government, there is not a guarantee that when a child begins the first grade that he will complete the fifth grade in that school, nor even a secure feeling that he will complete that year in the same school. With no guarantee that these students will remain, we must provide physical plants and instructional personnel for them. Therefore, if Public Law 81-874 funding ceases, then this again places a greater economic burden upon the locality.

It appears that the present method of administering impact aid funds is more equitable than the proposed method and our school system strongly requests that this method remain in effect.

Mr. KILDEE. Thank you very much, Dr. Rose.

You mentioned you have plans for adding on to your high school. Have you ever applied for construction funds from the Federal Government under the impact aid program?

Dr. ROSE. We have not because we have not built. We are adding on to a present structure, remodeling the present structure. We will build an additional structure beginning sometime this summer.

Mr. KILDEE. Congressman Harris?

Mr. HARRIS. I just want to express my appreciation for your coming. I know this is a tough season for you and the challenge that you are having to meet with regard to creating a new school system.

I guess I should congratulate you in being the home of Prince William County's Courthouse——

[Laughter.]

Mr. HARRIS. Thank you.

Dr. ROSE. Thank you.

Mr. KILDEE. Congressman Heftel?

Mr. HEFTEL. I have no questions but I appreciate your being here. I think you are an example of why ultimately impact aid must be a firm dependable program that does not constantly change and leave the districts uncertain as to what the funding will be. This is simply unfair, particularly to a new district.

Mr. KILDEE. Thank you. Thank you so much, Dr. Rose.

Our next witness is Mr. Robert Strickland, superintendent, Manassas Park Public Schools.

[The prepared statement of Robert Strickland, Jr., follows:]

Mr. Chairman, Members of the Committee

It is indeed a pleasure to appear before you tonight. I am Robert K. Strickland, Jr., Superintendent of Manassas Park City Schools.

I have been asked to speak in behalf of the present 874 Impact Aid Law.

As Superintendent of a new small school division, I can see where any change in the provision as recommended by the Secretary would hurt our system.

Although we are small and independent the amount of 874 money is as vital to our budget as the large systems entitlement is to theirs. We have 274 federally connected youngsters whose parents all live in our city and work at federal installations.

The funding of 874 is more in keeping with democratic principles than other programs, since it is a general revenue program.

It is not a poverty program or a program for handicap or disadvantage but it is funded for solely its growth impact on neighboring school divisions.

Our division receives entitlement for two programs under Section 3, and Subsection 3B. We have 156 youngsters whose parents work on federal property and 116 youngsters whose parents live in low income housing. This represents 12 percent of our school population.

As reported previously in the cases where the parent is employed out of the state, or out of the district the child of that family represents the same burden on the local school system.

In my reading and observing over the past years it seems that the issue of Impact Aid comes up almost annually and in each case Congress has had the wisdom to act and to override the proposals of the administration.

There are others who wish to speak and they possess more expertise and can add more to your meeting.

Mr. Chairman, thank you for your generosity, it has been a pleasure being here.

STATEMENT OF ROBERT STRICKLAND, SUPERINTENDENT, MANASSAS PARK PUBLIC SCHOOLS

Mr. STRICKLAND. Mr. Chairman, members of the committee, it is indeed a pleasure to appear before you tonight. At the outset I would like to say that the opening statements of Congressman Harris and Congressman Fisher are harmonious with the thinking of the Manassas Park administration and School Board. We also commend the Secretary for his foresight to increase educational funding 15 percent. We ask this committee and the Congress to continue funding under Public Law 874, impact aid, at the present level, especially keeping the "B" students in the law.

We also work for quality education, to keep the present formula; it would enhance the quality of education for all those school systems affected.

We are not a rich, affluent system surrounding Washington, D.C., but we are a small "bedroom" community. As superintendent of the new small school division I can see where the changes in the provisions recommended by the Secretary would hurt our system. Although we are small, the Public Law 874 money is as vital to our budget as the large systems entitlement is to theirs. The funding of Public Law 874 is more in keeping with democratic principles than other programs, since it is a general revenue program.

We have 156 youngsters whose parents work on Federal property and 116 youngsters whose parents live in low-income housing. This represents 12 percent of our school population.

As reported previously in the cases where the parent is employed out of the district, the child of that family represents the same tax burden on the local school system.

In my reading and observing over the past years it seems that the issue of impact aid comes up almost annually, and in each case Congress has had the wisdom to act and to override the proposals of the administration.

Mr. Chairman, thank you for your generosity, it has been a pleasure to be here.

Mr. KILDEE. Thank you very much, Mr. Strickland.

To what extent will you in Manassas Park have to increase taxes to compensate for the reduction proposed by the administration's bill, and what type of problems would you have in raising that revenue?

Mr. STRICKLAND. The problem would be very great, even though the revenue represents probably only $49,000 to $51,000. We are strictly a "bedroom" community, we do not have industry. We have one shopping center and a proposal for additional housing construction.

Mr. KILDEE. Thank you very much. Congressman Harris?

Mr. HARRIS. I think Manassas Park presents a unique problem here. As you say, the loss of revenue here for Manassas Park may not sound big to a whole lot of folks, even your good brothers from Fairfax County who may wonder how in the world can you worry about $40,000 or $50,000. But your tax base is not that big, the tax base is very small in Manassas Park.

Mr. **Strickland.** It is very limited.

Mr. **Harris.** I guess it is fair to say that Manassas Park is a community of moderate income people.

Mr. **Strickland.** Yes, sir, moderate income.

Mr. **Harris.** A lot of folks moved out to Manassas Park because they could not afford homes in Fairfax County or Arlington County; did they not?

Mr. **Strickland.** True.

Mr. **Harris.** And a small school system like this, you would have a hard time—with all your other problems of newness—to meet the additional requirement of finding another $50,000 in an already pretty strained budget.

Mr. **Strickland.** Yes, sir.

Mr. **Harris.** Thank you for your testimony.

Mr. **Kildee.** Congressman Heftel?

Mr. **Heftel.** No questions, I appreciate your testimony.

Mr. **Kildee.** Thank you very much, Mr. Strickland.

Our next witness is Mr. Thomas Bean, chairman of the Prince William County School Board, accompanied by Dr. William Helton, superintendent, and Mr. Robert Koch, finance director of Prince William County Public Schools.

STATEMENT OF THOMAS O. BEANE, CHAIRMAN, PRINCE WILLIAM COUNTY SCHOOL BOARD, ACCOMPANIED BY DR. WILLIAM HELTON, SUPERINTENDENT AND ROBERT KOCH, FINANCE DIRECTOR

Mr. **Beane.** Mr. Chairman and members of the subcommittee, I am Thomas Beane, chairman of the Prince William County School Board. I appreciate this opportunity to appear before you to address the President's proposal to rewrite impact aid legislation.

While Prince William County has a school population of approximately 36,000, fully one-third of our enrollment, over 11,000 students, is here because their parents work for the Federal Government. This is not a 1-year phenomenon. This percentage has remained constant for the last 6 years. There are some other facts you should know our county when considering the importance of this issue to us:

Our expenditures for schools represents 70 percent of the county's total budget. This means that 70 cents out of every new dollar generated goes to educating our children.

The county's assessed base supporting these expenditures is only $2.4 billion. Over 73 percent of our base is residential.

Our total housing stock is some 39,000 units. This means we generate almost one child per unit. With a population of only 144,000 this means that over 25 percent of that population is in school.

Impact aid represents over $2 million in revenue to support this program. Based on 100 percent valuation, this represents approximately 9 cents on our current tax rate, or 28 cents as we assess property in Prince William County.

Our current application for impact aid is $2.3 million. Based on preliminary projections, this entitlement will drop to only $875,000 in fiscal year 1979. This is a decrease of $1.6 million, or 65 percent. We do recognize that the hold-harmless provision would cushion this decrease on a cash basis over several years. However, for fiscal planning purposes, we would have to consider the full impact of these reductions now.

We, like other jurisdictions, seem to be caught on a merry-go-round of mandated expenditure increases by the Federal and State governments with very little assistance to meet these requirements. I might point out, special education is an excellent example of this.

In the coming year our expenditures for this program will total $5.6 million. This is an increase of $2.2 million over the current year budget as we move to meet the requirements of Public Law 94–142. In addition, we have provided some $300,000 to begin meeting the requirements for barrier free buildings as required by Public Law 93–112.

As with any school budget, the majority of our expenditures are related to personnel, over 65 percent in Prince William County. To absorb a reduction of the magnitude being proposed would require the elimination of some 111 positions. We believe this would have a significant impact upon our educational program. For example, we would be unable to add our programed expansion of 4.5 math teachers to deal with student competencies.

We would be unable to add our programed expansion of 7 language arts teachers to deal with remedial reading.

We would have a great deal of difficulty fully funding the additional 55 special education teachers and 44 aides required to meet the mandates of Public Law 94–142 next year.

I recognize, as stated, that our immediate loss would be somewhat less under the hold-harmless provision of the act. Even that amount, however, totals some $420,000, or 3 percent on the tax rate of 100 percent valuation. I believe that our board would have no choice but to reduce programs by that full amount.

Our budget is already straining to meet the requirements of our division for the coming year. Our school board has recently approved the superintendents request for some $79.9 million. Because of the fact that we are not fully supported by the Federal and State governments, this would mean in Prince William County we would have to increase its participation by over $6 million next year.

At our current tax rate of $1.74 per $100 of assessed valuation, our county will have difficulty supporting this request. You may be aware that our citizens turned down a bond referendum last Thursday which would have required a tax increase. There is growing concern among our citizens about our tax rate.

In conclusion, the Federal Government does exert a significant presence on Prince William County. In tax revenue alone we are denied some $3.2 million because of Federal lands existing within the county. To significantly reduce impact aid would severely tax our ability to continue to provide the quality education we believe is essential to the healthy growth of our community. Thank you.

[Accompanying tables follow:]

PRINCE WILLIAM COUNTY SCHOOLS—IMPACT AID—1972-73/1977-78

Year of application	Total membership	Federally connected membership	Percent Federal to total	Application entitlement	Fiscal year receipts
1972 to 1973	34, 481	11, 661	33. 819	$1, 580, 102. 00	$901, 043. 00
1973 to 1974	35, 317	11, 484	32. 517	1, 685, 153. 00	2, 067, 585. 00
1974 to 1975	39, 678	11, 566	29. 150	1, 926, 798. 00	1, 878, 374. 00
1975 to 1976	41, 147	12, 484	30. 340	2, 151, 352. 64	1, 786, 882. 00
1976 to 1977	36, 287	11, 796	32. 508	2, 104, 331. 48	2, 088, 867. 34
1977 to 1978	36, 440	11, 426	31. 356	[1] 2, 301, 628. 92	[2] 896, 687. 78

[1] Estimated entitlement based on application and LCR of $906.76.

[2] Actual receipts to date, final payments on 1975-76 and 197-677 applications.

Comparative data, Prince William County—fiscal year 1978

Category:	*Prince William*
Assessed value	2, 375, 000, 000
Tax rate	$1. 74
Population	144, 000
Enrollements	36, 500
Federally connected membership	11, 400
Housing Units	39, 000
Percent of membership federally connected	31. 2
Number of adults required to support students	2. 9
Average number of children per household	0. 93
Assessed value per child	65, 068

Mr. **Kildee**. All right, do you wish to follow——

Mr. **Beane**. They are here to answer any questions.

Mr. **Kildee**. All right, very good. Let me ask you a question I have been asking superintendents and the presidents of the board, to what extent would you, in your area, have to increase taxes to make up for the loss of revenue given in impact aid, and what problems would you have in raising that revenue?

Mr. **Beane**. Well, the increase—of course, I have a little problem translating our tax, in other words, we assess at 32 percent, and the base is 100 percent. If we lost $1.6 million, that would be about 9 cents on our tax rate, or 28 cents on it as we have it presently. We would be in a tremendously bad position because of the fact of the large increases we have to have in our budget for next year. If we lost this kind of money, we would just have to eliminate programs.

Mr. **Kildee**. In other words, you would not be able to raise that much revenue, so the option would be to cut programs.

Mr. **Beane**. Yes, sir.

Mr. **Kildee**. Thank you very much. Congressman Harris?

Mr. **Harris**. I suppose you do not know how many residents of Prince William—just taking Dale City—work in Fort Belvoir, for example?

Mr. **Beane**. Not on the specific reservation.

Mr. **Harris**. I could not help thinking, Fort Belvoir is virtually on the border of Prince William—it would have to be in Fairfax County—but I would guess—and that is only a guess—that you may have more employees in Fort Belvoir that live in Prince William than in Fairfax County. It would be interesting to check those figures.

Mr. **Beane.** I am inclined to agree with that.

Mr. **Koch.** Of the 11,400 students we have, some 4,700 children are under the category of "uniformed services".

Mr. **Harris.** That would include Fort Belvoir and Quantico, would it?

Mr. **Koch.** Yes, sir.

Mr. **Harris.** So, what I am thinking of, of course, the out-of-county "B's", would mean just because Fort Belvoir is on one side of the Occoquan and there are houses on the other side of the Occoquan, that your school system would get no assistance for those students.

Mr. **Beane.** That is correct.

Mr. **Harris.** It seems to me, Mr. Chairman, that is one of our more dramatic examples. This is a military operation in Fort Belvoir. We have a residential community, and I think these figures, of course, are figures like I used to look at when I was on the board of supervisors, 70 percent of the county's budget and you are not able to pick it up from the State—let me go from memory. Seventy percent of your county budget is going for schools.

Mr. **Beane.** Yes, sir.

Mr. **Harris.** And you have almost one-third of the school population coming from Federal worker families. Of that amount you have, say, 70 percent that are military related. What did you say that figure was?

Mr. **Koch.** In breaking it down, the civilian out-of-county "Bs" that we are talking about are 2,800 students, and then we have a category which is called "uniformed services", which is 4,700 students.

Mr. **Harris.** Well over 40 percent is represented by military.

Mr. **Koch.** Yes.

Mr. **Harris.** I just wonder what rationale other than to cut the programs could apply to a situation like Prince William.

Mr. **Beane.** If you could think of one, sir, let me know. [Laughter.]

Mr. **Harris.** Would any of you have figures on what the population growth in Prince William has been in the past year?

Mr. **Koch.** Not immediately, but I am sure that can be made available to you.

Mr. **Harris.** It is one of the fastest-growing counties, of course, in the area, experiencing that fast growth that some of our other counties experienced in the 1960's or the 1950's; it is starting to hit you. I know you are a very young community. The way I know it is, that you are still averaging .9 per home, .9 school-aged children per home, that is a young community. I remember Fairfax County when it was .9. Fairfax County is lucky to hit .4 now.

I think you, meeting the challenges of your school system, could be seriously hurt by a 1-year change in the impact aid.

Thank you, Mr. Chairman.

Mr. **Kildee.** Mr. Heftel?

Mr. **Heftel.** No real questions, other than again the observation that somewhere we have to analyze the impact of military installations on these unique communities, such as yours. We cannot allow these formulas to ignore the very real problems that are being created. The way the presentation was made by the Secretary of

HEW was as though very little effect was being made on anyone, and it was a very fair and equitable program. It never targeted or touched on this kind of situation. I think we have to make note of it, and we have to remedy it, Mr. Chairman.

Mr. KILDEE. We are out here to ferret out this information so we can make intelligent decisions across the river. Has HEW acted similarly, have they come to consult with you and asked you what problems might result from their actions? [Laughter.]

Mr. BEANE. No, sir.

Mr. KILDEE. Maybe we can make some suggestions to them to so do.

Mr. HEFTEL. Mr. Chairman?

Mr. KILDEE. Yes, Mr. Heftel.

Mr. HEFTEL. Would you like to invite the Secretary to HEW to come and meet with a group like this?

Mr. KILDEE. That might involve the separation of powers, and my invitation would have no real validity.

All right, thank you very much for your excellent testimony.

Mr. BEANE. Thank you, sir.

Mr. KILDEE. The next witness will be Mr. Spencer Hudson, chairman of the Stafford County school board, and Ms. Shirley Hines, administrative assistant of Stafford County public schools.

Again, your full testimony will be entered in the record, and you may summarize as you wish.

STATEMENT OF SPENCER HUDSON, CHAIRMAN, STAFFORD COUNTY SCHOOL BOARD AND SHIRLEY HINES, ADMINISTRATIVE ASSISTANT, STAFFORD COUNTY SCHOOLS

Ms. HINES. Mr. Chairman and members of the subcommittee, I am Shirley Hines, administrative assistant to the superintendent of the Stafford County school board.

First I would like to give you a little background of Stafford County. Stafford County is traditionally a rural county, situated in the developing urban-metro corridor, approximately 40 miles south of Washington. It is somewhat evenly divided by Interstate 95 and its three interchanges allow each access to and from the county.

In recent years the county has become a bedroom community for industries and Federal activities located generally to the north. Evidence of this can be seen in that Stafford County's population has doubled in the last 15 years. Stafford County currently has a population of 36,400 people with over 100 developing subdivisions and yet, the county has no major industry in the whole of its 173,000 acres. Further, since most people travel daily to work outside the county, they do their shopping in these metropolitan areas, thus the county has few commercial establishments. With few commercial and industrial activities, the tax base of the county for the most part is vested in the real estate property tax. One could hardly classify Stafford as a wealthy suburb of D.C.

Stafford County believes that the continuance of impact aid is vital to its educational system.

The Marine Corps Schools, Quantico, Va., has approximately 32,000 acres located in Stafford County. A major reason for the initiation of the impact aid program in 1950 was to provide funds where Federal ownership of property reduced local tax income for school purposes. Last year, Stafford County schools realized a total of $393,858 in impact aid, an amount which certainly does not cover the loss of local tax dollars because of Federal ownership of the Marine Base. Had this property been developed by private home owners or by commercial enterprises, Stafford would be realizing approximately $1 million per year in taxable revenue.

An original goal of the impact aid program was to aid school divisions where Federal activities caused an influx of persons into a community. An analysis of data shows that in 1970 we had 1,838 impact aid pupils. In September of 1977 we had 2,566 impact aid pupils, an increase of 28 percent.

In 1977 we received an average of $161.95 for an impact aid pupil. In that same year the operational cost per pupil in Stafford County was $964.40. As you are aware, the operational cost does not reffect the large sums of monies which must be expended for the construction of schools to house additional pupils. The phenomenal growth rate of Stafford County necessitates a continuous construction program for new schools. Stafford County has built six new schools in the last 12 years. An $8.5 million high school opened 2 years ago. The debt service for Stafford County has increased from $234,500 in 1968 to $1.9 million in 1978, an increase of 731 percent. This increase does not include a $14 million high school slated for opening in 1981.

The 1979 school budget already envisions a 33 percent increase in local funding. Any reduction in impact aid can only lower the quality of educational service currently provided. Federal and State mandates are requiring localities to provide more services. The lack of industry in the county further increases the resident's share in providing schools and services to keep abreast of expanding enrollments. Please keep in mind that the current level of impact aid funding does not begin to compensate for the loss of tax revenue because of Federal ownership of Quantico Marine Corps schools; therefore, any proposal to cut the current level will mean a heavier tax burden on the citizens of Stafford County and a decrease in services offered to the boys and girls of Stafford.

I think you must realize, Congressman, I administer many Federal programs, and the impact aid is one of the most thoroughly audited of all programs. The possible loss of impact aid funds comes at a very crucial time for Stafford County, therefore we are most appreciative for the opportunity to express the concerns of our citizens.

Thank you.

Mr. KILDEE. Mr. Hudson?

Mr. HUDSON. I am sure, gentlemen, that Ms. Hines has adequately outlined the extreme problems that Stafford County faces in its school program, and the significant nature of our burdens. We are not a wealthy community, but a bedroom community with a large military base that takes away our tax revenues. As you gentlemen are well aware, the decrease in Federal funds very simply means an increase of local dollars for the taxpayers.

Stafford is now bursting at the seams, and we are sure to see a tax increase and even if impact aid does not change. I can assure you, gentlemen, that Stafford County is not going to cover this particular decrease in our budget if it comes. We are looking at a near 10 cent on the 100 tax rate increase. We have a 40 percent base, that is a fairly significant dollar value.

Please understand that a decrease of 1 and 1½ percent over the entire budget becomes a great deal higher since many of our budget categories are fixed. For example, our debt service is fixed, we cannot decrease it by 1½ percent. Our teachers' salaries are fixed, we have to give them a raise. What actually happens is that we will be forced to do such things as increase our pupil-teacher ratio, or actually eliminate special services such as our reading specialists.

We offer you the same arguments about the dollar value as Manassas Park, we are not a large community, $100,000 to us means a whole lot. We offer the same arguments as Prince William, they have the Occoquan dividing them, but a great many people drive from Dennis Height, Prince William, where we join them; a great many people are working at Fort Belvoir.

We are very hopeful that you gentlemen will realize that this decrease comes at a very crucial time in Stafford's development, and we are confiident that you will take a long look and give us the consideration necessary.

We thank you very much.

Mr. **Kildee.** Thank you very much. Let me ask you this, I taught school before I got into this profession, and I know the importance of the student-teacher ratio. What is your present student-teacher ratio in your school system?

Mr. **Hudson.** Twenty to one.

Mr. **Kildee.** Are you counting your administrative staff in that, too?

Ms. **Hines.** Mostly.

Mr. **Harris.** That is putting your high school and elementary together, is that it?

Ms. **Hines.** Right, and that includes librarians and specialists. It would be 25 to 1 if you did not put in the librarians and special services, guidance personnel, and what have you.

Mr. **Kildee.** When you walk into a classroom it is——

Ms. **Hines.** Twenty-five to one.

Mr. **Harris.** Mr. Chairman, if you will, I have worked with those ratios before. You are liable to walk in some class rooms with 35 or 36 in them, too.

Mr. **Hudson.** Yes, any special education class requires, with students that have any special guidance, we may have 10, 12, 15. We have to make them up. Some of our better classes, even in elementary, run 27 to 30. So, when we speak of a 20 to 1 pupil-teacher ratio, that is an average. We are satisfied with it, we enjoy it; we would hate to have it increased.

Ms. **Hines.** But there are certain classes that cannot be increased, such as special education because you are mandated to do that. So, it is the average child who will be in a room with more than 25.

Mr. **Kildee.** That person would feel the increase in the ratio in the regular class room, then.

Ms. **Hines.** Right.

Mr. Kildee. If you lose the impact aid you have to make the decision—make an option—an option between increasing your revenue or cutting services.

What problems would you have? I have asked the others about increasing revenues, you touched upon it, but realistically?

Mr. Hudson. Very realistically, No. 1, as Ms. Hines pointed out, there is the new high school we are getting ready to build. We have a high school now that is supposed to house just under 2,100, and we now have just under 2,700 in the high school. We are forced to build a new high school.

We have no industries to pick up the additional costs. We are seeing additional housing, and we are growing—I think I am correct—faster than any of the communities that spoke to you tonight. Every time we get into a growth situation, taxes go up. Services have to come and roads have to be put in, and the services just increase—you just cannot keep the same tax rate. So, we are looking in Stafford—and I am very confident—at a tax rate increase this year.

Mr. Kildee. And then the lost impact aid would put even further pressure on that, or cause a cut in services.

Mr. Hudson. I cannot say for sure, but I am very confident that we will be forced to cut the school budget, the dollars are just not available to cover Stafford this year.

Mr. Kildee. Well, we wrestled with that problem and those two options. I know in my State the ability to raise the revenue is very often merely a theoretical ability because the local taxes have very often reached the saturation point. That is true all over the country, I know it has not been easy. I have worked in numerous campaigns to try to get the dollars up and it is not always that easy to do, and very often schools have been forced to cut services. Thank you very much. Mr. Heftel.

Mr. Heftel. Just quickly, do you happen to know the percentage of military dependents who are in attendance in your school district?

Mr. Hudson. We can give you the numbers on that.

Ms. Hines. Uniformed Services, 417.

Mr. Heftel. And what is your total?

Ms. Hines. 2,566.

Mr. Heftel. So, you have about 17 to 18 percent.

Ms. Hines. You want total school population? Almost 9,100.

Mr. Heftel. And of that, what number are armed services dependents?

Ms. Hines. 417.

Mr. Heftel. 417; So it is about 5 percent. Therefore, the armed services are not the reason for the accelerating population in Stafford County, or in the school system.

Mr. Hudson. No, sir, definitely not. We are reasonably confident that it is the people wanting to, or being forced to because of the dollar, leaving the metropolitan area. We have a great many more people, for example, because of Interstate 95, for example, commuting now. I am sure Prince William is seeing the same thing.

Mr. Heftel. Thank you very much.

Mr. Kildee. Thank you very much.

Our next witness will be Ms. Betty Blystone, northern Virginia board member, Virginia School Boards Association.

STATEMENT OF BETTY BLYSTONE, NORTHERN VIRGINIA BOARD MEMBER, VIRGINIA SCHOOL BOARDS ASSOCIATION

Ms. Blystone. Mr. Chairman and gentlemen, I am speaking tonight as chairman of the school board of the city of Falls Church, and as a member of the board of directors of the Virginia School Boards Association. That includes 140 school divisions across the Commonwealth. We are in opposition to any changes in the impact aid funding which would create a loss of school revenue in our communities.

The impact aid program was designed to assist in underwriting the cost of education for those children in a community who are present only because of the location in that area of a Federal installation. The purpose was to provide education for children, recognizing that their federally employed parents would, under other circumstances, be employed by profitmaking establishments paying property taxes, business license taxes, and generating a host of other commercial revenue producers.

In our own community, approximately 150 children fit the present criteria for impact aid, making us eligible to receive about $80,000. There are over 400 students in our school system whose parents work for the Federal Government. The cost of educating those children is over $1 million. The impact aid program underwrites less than 10 percent of the cost of education for our federally related students, about 2 percent of our total budget. It is hard to believe that the Federal interest and obligation to the education of those children could or should be reduced.

I wish I could provide you with similar statistics that other school jurisdiction have given me for all Virginia school divisions, and give you information on the effects statewide of changes in the impact aid program. Unfortunately we have had very little notice of the administration's proposal and have received no figures to show what the results in each jurisdiction of any changes would be. It appears now that impact aid will be completely phased out for more than half of the cities and counties now receiving such aid in Virginia if the proposed changes in the law are passed.

There has been no time to survey all our districts and get their reaction to the proposals. I urge this subcommittee and the Congress to continue funding impact aid at the present level and to take no action on the proposed legislation until there has been adequate time for the Office of Education to develop accurate projections of fund changes, and until every affected community has had an opportunity to study those figures and assess their impact.

Impact aid is an appropriate mechanism for extending noncategorical Federal assistance to areas where concentrations of Federal employees create a desire for quality education, without producing the financing for its implementation other than resorting to an already overburdened property tax on the individual homeowner.

The law should not be changed until some other way is found by which the Federal Government can fund this unique and legitimate obligation to the public education of its employees' children. Thank you.

Mr. **Kildee.** Thank you very much for your fine testimony. You are also wearing a couple of hats, you are chairman of the Falls Church School Board.

Ms. **Blystone.** Falls Church City School Board, yes.

Mr. **Kildee.** Again, you would have to make the choice between raising revenue or cutting service. What, realistically, would your board be forced to do?

Ms. **Blystone.** Currently our city funds our school budget to about 86 percent. I cannot believe that we would cut programs, and yet, looking at the fundings, $16,000 for an average teacher salary, $80,000 equates to five teachers. In a small school that is very crucial.

Mr. **Kildee.** Congressman Heftel.

Mr. **Heftel.** It appears—and we are using a readout that I cannot attest to the accuracy of, but we will assume for the moment that it is—it appears that Falls Church would decrease from approximately—according to these figures—$72,000 to $48,000, or would lose approximately $22,000 in impact aid.

But I think the more interesting part, and the one I think we should stress, is your role and the role of those who serve with you on the Virginia School Boards Association of 140 school divisions. I think it is this overview that we cannot get properly because each of the districts is living and dying on its own.

Ms. **Blystone.** That is true.

Mr. **Heftel.** And I think one of the unfortunate things we are finding, obviously, is that HEW came in the day of their report with their testimony on the same day, so that we did not have it in advance; let alone did the school districts know in advance what might be happening to them. I think there is something here that has to say, to the extent that impact aid is changed, there must be 2-year cycles in which you cannot change for a minimum of 2 years, so the school districts at least know where they are at on those minimum cycle periods, Mr. Chairman.

Mr. **Kildee.** Thank you very much, Mr. Blystone, for your testimony.

Our next witness is Dr. Thomas L. Penn, chairman of the Arlington County School Board. Dr. Penn.

We will go to the next witness and come back to Dr. Penn. Mrs. Betty Cesnik, member of the Falls Church School Board.

STATEMENT OF BETTY CESNIK, MEMBER, FALLS CHURCH SCHOOL BOARD

Ms. **Cesnik.** Due to my husband's Slovenian ancestry, I would like you to understand that my name is spelled C-e-s-n-i-k, and we will go from there.

Mr. **Kildee.** My wife being Slovenian she would appreciate your correction.

Mr. **Harris.** We were not even close on this one. [Laughter.]

Ms. **Cesnik.** I am speaking tonight as a member of the Federal relations network of the National School Boards Association for the 10th District of Virginia.

The Federal relations network consists of one school board member for each congressional district to establish a liaison between the collective school boards and the members of Congress. You will hear this evening from several of the school boards in Mr. Fisher's 10th District, so I would just like to emphasize a few points of general information regarding the proposals for impact aid.

First of all, whether you are a system as large as Fairfax, or as small as Falls Church; whether you are as close in as Arlington, or as far out as Loudoun County, the reality is the same. There are children to educate and children whose needs must be met, and the tax dollars to carry out those mandates are mighty hard to come by.

In addition to representing the community's educational policies, the school boards are responsible and accountable for property tax increases and budgetary priorities. When providing, or not providing Federal funds for education, Congress must be sure to consider the impact upon the local property tax base and the ability of the school board to provide and maintain services in their regular programs.

Although education has traditionally been funded in large part by localities, State and Federal moneys are necessary in order to provide adequate programs for our children. You are probably aware, we have been spending the last month in Richmond, convincing the State of Virginia that we are not as rich as we seem, and there is a legitimate State contribution to education. We are asking you tonight to consider the Federal contribution because the children are here, and they are here because of the Federal presence.

Most of the 10th District revolved around the Federal Government in one way or another. We do not have large concentrations of business or industry and must therefore rely almost solely on local property taxes even when our proportion of elderly, or unemployed, or whatever, make that tax more difficult to come by.

I would urge you to use caution in making decisions based on State or national averages. The large per pupil cost in this metropolitan area is a result of many things, including the high cost of living; the high cost of building, as well as the strong commitment by our citizens to maintain high-quality education. If we appear to be extremely wealthy, it does not automatically follow that we can ask local citizens to fund 90 or 95 percent of the education budget.

The State and Federal Governments have a legitimate and a justifiable share in our efforts. We ask you to continue that sharing in the future of our children and of the country. Thank you.

Mr. KILDEE. Thank you very much for your testimony. You raised an interesting point in my mind as you testified. I have been aware of the high cost of housing in this area. Coming from Michigan, I find it just outrageous to look at the cost of housing—I was spoiled there in Michigan.

But when you reflect upon that problem, the high cost of housing, it would be interesting to study some time how much really disposable income people have left after they paid their housing costs—whether it be rent or their mortgage payment. That woud be very interesting because I do not think that this area is typical of the rest of the country because of the high cost of housing here. So, I imagine you have a lesser percentage of disposable income after your housing costs than in most places in the country.

Ms. **Cesnik**. That is why I mentioned the elderly because we find a pattern in Falls Church, whereas in years previously as a family's children grew up, they would sell their large house with three, or four, or however many bedrooms and move into an apartment or town house, or something of that sort. Well, even the town houses cost probably more than what they bought their house for 20, or 25 years ago. So, the people are staying in their house. They are probably now on a fixed income, they do not have any children in the school system, and it gets harder and harder to convince them that they still have a legitimate share in the community's funding of education.

Mr. **Kildee**. Thank you very much. Mr. Harris?

Mr. **Harris**. If my colleague will let me comment on this. I have had a number of my colleagues last year that moved to the Washington area after they were elected for the first time to Congress. They often come to me and ask me for advice as to what area to look for new homes. I always ask them what kind of a house they are looking for, what price range they are think about. They often tell me they are looking for something—they are going to move the family here—as nice as they have back home, and they are perfectly prepared to go to $35,000 to $40,000. [Laughter.]

Ms. **Cesnik**. There are not many of those left in Falls Church.

Mr. **Harris**. There are not many of those left in northern Virginia any place.

I want to thank you for your testimony, and I appreciate the efforts you have made. I have no questions.

Mr. **Kildee**. Congressman Heftel?

Mr. **Heftel**. Just quickly, Mr. Chairman, we have some nice track style homes in Hawaii on leased land for $100,000, if you are interested. [Laughter.]

Mr. **Harris**. I forgot I had someone sitting next to me who could top it.

Mr. **Kildee**. I think we have touched the two highest housing regions of the country, northern Virginia and Hawaii.

All right, Dr. Thomas L. Penn, Chairman of the Arlington County School Board.

STATEMENT OF DR. THOMAS L. PENN, CHAIRMAN, ARLINGTON COUNTY SCHOOL BOARD

Dr. **Penn**. Mr. Chairman, Congressman Harris and members of the subcommittee, my name is Thomas L. Penn, I am chairman of the Arlington County School Board.

I appreciate the opportunity of sharing with you our views on the re-authorization of the impact aid program. In keeping with your letter of invitation for testimony, I would like to summarize briefly our thoughts in the three areas that you identified; and then I would like to leave with you 10 copies of a prepared statement which will contain details on the things that I discuss.

These three areas are:

1. Accomplishments of the program.
2. Need for changes in the legislation.
3. The administration's proposal for impact aid.

I would like to discuss these in somewhat reversed order, I would like to discuss one, three, and then come back to two.

As far as accomplishments of the program are concerned, it is difficult to identify any specific programs, or we have to talk about in general terms because the moneys are provided, the funds are general, and therefore not tied to any particular program. However, it is safe to say that we feel as though the program has accomplished its purpose, which is to compensate local school districts for the cost of educating children when enrollments and availability of local revenues are adversely affected by Federal activities in the area. So, for Item No. 1 we feel that the program is accomplishing its mission.

For Item No. 3, I would like to paraphase our feelings on that by saying, first of all, what the impact will be on Arlington. Needless to say, we do not look at the proposals in a favorable light. We see them as having an adverse effect on the Arlington school system. Under these proposals the Arlington school system will lose some $553,000 in 1978–79, which is the first year of the proposed legislation; and $718,000 over the next 3 years. This is an adverse effect upon our system.

Again, looking at the administration's proposals, when viewed in isolation, these proposals appear to be reasonable, logical, and a viable method of saving Federal funds. However, when studied in perspective, that is, as they relate to other Federal programs and requirements, the picture changes drastically. In fact, the appearance is reversed. For example, it is difficult—very difficult—to understand how the Federal Government can mandate special education programs for the handicapped and bilingual programs for non-English-speaking children, and at the same time propose drastic reductions in funds to support these as well as other education programs.

The situation becomes even more perplexing when the mandates and the proposals come from the same Federal department, in this instance the Department of Health, Education, and Welfare.

Item No. 2, the need for change in legislation. The Arlington County School Board would welcome changes in the legislation in this area provided it results in the authority to tax Federal properties within Arlington County, or receive funds equal to the tax that would be collected on those properties, were they owned by private citizens. Realizing that this proposal or recommendation is diametrically opposed to the proposal of the administration, I would like to say that the school board goes on record in favor of retaining the impact aid at the present level.

We respectfully request that you use the influence of this subcommittee and try to maintain the impact aid at its present level. Thank you very much.

[The statement of Dr. Penn follows:]

ARLINGTON PUBLIC SCHOOLS
OFFICE OF THE SCHOOL BOARD
1426 NORTH QUINCY STREET ARLINGTON, VIRGINIA 22207

Thomas L. Penn, Chairman
Mary Margaret Whipple, Vice-Chairman
Richard A. Barton
Ann C. Broder
Diane Henderson

March 3, 1978

The Honorable Carl D. Perkins, Chairman
Subcommittee on Elementary, Secondary,
and Vocational Education
B-346C Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Perkins:

The staff of the Arlington County (Virginia) School Board has reviewed the Health, Education and Welfare draft "Impact Aid Amendments of 1978," and it is estimated that Arlington will lose $558,000 in Federal receipts in 1978-79 under the revisions as proposed. This conclusion is reached from the following calculations:

1. Impact Aid estimated payment in FY 1979 under the current law	$1,800,000
2. Impact Aid estimated payment in FY 1979 under proposed revisions	1,242,000
3. Difference (loss)	$ 558,000

In subsequent years, Arlington would be limited to the payment provided by the Hold Harmless provision which would guarantee 75 percent of the previous year's receipts as indicated below:

1979-80	$931,500
1980-81	698,625
1981-82	523,969

As you know, the purpose of the Impact Aid Program is to compensate local school districts for the cost of educating children when enrollment and availability of local revenues are adversely affected by Federal activities in the area.

In view of the purpose of the Impact Aid Program, it seems that Arlington should receive a substantial increase in Federal assistance rather than suffer a loss of a half-million dollars in 1978-79. If we were able to tax the properties now occupied by the Federal Government within the boundaries of

Arlington County, our revenue would be increased by an estimated $9.4 million annually as indicated on the attachment. This certainly should be considered as the Subcommittee deliberates on the revisions proposed by the Department of Health, Education, and Welfare.

The loss of $558,000 in 1978-79 and the additional loss of $718,000 over the next three years will have a serious negative impact on this school system. Programs serving our children most certainly will be reduced at a time when more and more emphasis is being placed on the needs of the individual child. It seems incongruous that on one hand the programs for Special Education of Handicapped Children and Bilingual Education for Non-English Speaking Children are being mandated, and on the other hand the funds which help to provide these programs are in danger of being removed.

Let it suffice to say that the Arlington County School Board is most unhappy with the proposed revisions to Public Law 81-874. We would very much appreciate your efforts to keep the law intact as is or, better, to increase the entitlements to affected school districts.

Sincerely,

Thomas L Penn

Thomas L. Penn
Chairman of the School Board

TLP:ap

Attachment

Final Copy

August 31, 1977

SUBJECT: Resolution Concerning Federal in Lieu of Tax Payments and Impact Aid to Schools

TO: The County Board of Arlington, Virginia

FROM: W. V. Ford, County Manager

RECOMMENDATION: Adopt the attached resolution relating to Federal in lieu of tax payments and Schools Impact Aid.

Attached is a resolution for approval by the County Board urging Congress to adopt a new funding source, such as payments in lieu of taxing Federal property, or at a minimum to continue Federal Impact Aid (PL-874) to support local educational programs for children of Federal employees. Federal Government Category B Impact Aid to Schools again is threatened to be phased out. As a substitute for Category B Impact Aid, we have analyzed the fiscal impact through FY 1983 of taxing Federal real property (land, buildings and improvements) compared to impact aid to be received by the Schools.

Arlington County would realize a net gain of an estimated $7,966,675 in FY 1978 if the County were to receive Federal aid in lieu of taxes instead of impact aid to the Schools. Projection to FY 1983 shows progressively larger net gains as shown in the following table:

Category	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
In lieu Tax	$9,392,968	$10,050,476	$10,754,009	$11,506,790	$12,312,265	$13,174,124
IMPACT AID: Category B	1,426,293	1,365,737	1,307,752	1,252,229	1,199,063	1,148,154
IMPACT AID: Other	498,201	477,049	456,795	437,401	418,831	401,049
TOTAL IMPACT AID	$1,924,494	$1,842,786	$1,764,547	$ 1,689,630	$ 1,617,894	$ 1,549,203
Surplus/(Deficit) if Category B Impact Aid Eliminated	$7,966,675	$8,634,739	$9,446,257	$10,254,561	$11,113,202	$12,025,970
Surplus/(Deficit) if Total Impact Aid Eliminated	$7,468,474	$8,207,690	$8,989,462	$ 9,817,160	$10,694,371	$11,624,921

The figures in this table were based on two assumptions: (1) that property taxes will increase 7.0 percent annually, and (2) that Category B Impact Aid will decrease 4.3 percent annually. According to information from the School Administration, impact aid assumes an annual increase of 7.4 percent for the average reimbursement per pupil and a decrease of 12 percent annually in the number of pupils affected.

A number of proposals are before Congress to provide substitute funding to localities for Category B Impact Aid. Congressman Fisher is working on a way to pay a locality for property owned by the Federal government without authorizing the local jurisdiction actually to levy a direct tax. Two bills, introduced by Representatives Holt and Koch, call for a payment in lieu of taxes for Federal land located within a given locality based on the equivalent amount of taxes that would be generated if the land were privately owned. In all of the Congressional proposals, Category B Impact Aid would be eliminated and substitute funding provided.

RESOLUTION ON IMPACT AID TO SCHOOLS

WHEREAS, Federal land, buildings and improvements located in Arlington County have been assessed at $630.4 million,

WHEREAS, Arlington County bears the financial burden of providing many community and educational services for these properties and their occupants and employees, and

WHEREAS, if such property were privately owned, the real property tax due to Arlington County would approximate $9.4 million,

THEREFORE BE IT RESOLVED that the County Board of Arlington County, Virginia urges that

1. Congress recognize the burden on local taxpayers who provide a high level of community services for Federal property including education to children of Federal employees and adopt a source of funding for these services whereby a locality could tax Federal property or receive payments equivalent to that tax in lieu thereof, and
2. Congress continue its support of "Category B" impact aid as the viable source of funding for the public education of pupils whose parents work for the Federal government, if such in lieu of tax payments are not provided.

Mr. **Kildee**. Thank you very much, Dr. Penn. Again I will ask the question I have been asking others in your capacity. With the proposed loss of the Federal funds under the administration's proposal you would have to make an option of trying to make up the loss with local revenue, or cut programs?

Dr. **Penn**. That is true.

Mr. **Kildee**. Have you given any consideration as to what a viable option would be for the school board?

Dr. **Penn**. Yes, sir. The only viable option would be to cut programs. We are fiscally dependent upon the county board, and we are already having difficulty trying to bring our proposed budget for the next school year in line with the recommended county guidelines.

So, the only option we would have, really, is to cut programs. Like other speakers who have come before us tonight, most of our budget moneys are tied up in salaries, or salary-related items, in this instance some 82 percent of the total operating budget pertains to these categories.

Mr. **Kildee**. Thank you very much. Mr. Harris?

Mr. **Harris**. I have no questions, except to comment on the fact, I think I saw twinkle in your eye when you were thinking about getting the Pentagon on to your tax rolls. That might be a good idea for Arlington. [Laughter.]

Mr. **Harris**. Thank you, Mr. Chairman.

Mr. **Kildee**. Thank you, Congressman Harris. Congressman Heftel?

Mr. **Heftel**. I just saw the twinkle in his eye and wanted to suggest, that will be the ultimate resolution of the problem when the districts just walk in and say, "We can no longer educate these children unless we can either tax or charge tuition." I do not know whether you can constitutionally accomplish that, but it certainly would be an interesting confrontation.

Mr. **Kildee**. Thank you very much, Dr. Penn, for your testimony.

Our next witness will be Mr. George Atwell, Assistant Superintendent for Business, the Loudoun County Public Schools. Mr. Atwell?

STATEMENT OF GEORGE ATWELL, ASSISTANT SUPERINTENDENT FOR BUSINESS, LOUDOUN COUNTY PUBLIC SCHOOLS

Mr. **Atwell**. Mr. Chairman, Congressman Heftel, Congressman Harris, the Loudoun County Public Schools will receive about $483,000 in fiscal 1978 from Public Law 81–874. Although this represents only 2 percent of our operating budget, the amount is significant to the taxpayers of Loudoun County. This amount represents 4 cents on the local real estate tax rate. In times of continued inflation, rising energy costs and growth, every penny added to the local tax rate becomes a heavier burden, and more especially since Loudoun County is a growing school system. In the past 10 years we have doubled our student population. One result of that is that now Loudoun County has the highest per capita debt service costs in the Commonwealth of Virginia. Our taxpayers are complaining just as severely as are taxpayers throughout the country.

At the present time we have 14,061 students enrolled in our schools and of this number 2,765 are federally connected. Impact aid students make up 19.6 percent of our enrollment, but impact aid funds make up only 2 percent of our budget. By no stretch of the imagination do these funds pay for the education of federally connected students.

The Federal Government "owns" well over $100 million worth of property in Loudoun County. If this property was taxed at the current real estate tax rate, our revenues for federally connected students would increase from $483,000 to well over $1 million. However, it appears highly unlikely, and perhaps somewhat undesirable, that we will be able to tax Federal property at its true rate. What we do want is impact aid funds that are adequate to help in the education of federally connected students.

The greatest concern to us is the effort on the part of the administration to eliminate payments for students whose parents work on Federal property outside of the county. We have 965 in this out-of-county category. For those 965 students we must employ 38 classroom teachers to maintain a 25 to 1 ratio. The $483,000 of impact aid funds will only employ 36 classroom teachers. This leaves nothing for books, transportation, utilities, maintenance costs, whatever.

These parents do pay taxes in Loudoun County, but one fact cannot be ignored. We have these 965 students in our schools because their parents choose to live in Loudoun County. Those families are here because the Federal Government has chosen to employ one or more members of those families. Loudoun County has to educate those children, regardless of where the parents work. The greatest point in favor of impact aid is that the money follows the child to where he is educated, it does not follow the parent to where he works.

The Loudoun County School Board and the citizens of Loudoun County urge you to recommend legislation that will re-authorize impact aid as it was intended, and to provide for its full funding. Do not shift this burden back to the locality.

Thank you for this opportunity.

Mr. KILDEE. Thank you very much, Mr. Atwell. If you would just briefly respond to the question I have asked most people, you have your two options, which would the viable option be for the Loudoun County Public Schools?

Mr. ATWELL. Well, as all of us indicated, we would have to reduce programs because if you take the 4-cent tax increase, if we were to lose the total $400,000, the 4 cents on a 100-percent assessed valuation may not seem like a whole lot, but if you add 5, 6, 7, 8 percent for inflation, and other 4 or 5 percent for growth, then it does become a significant amount.

We have the same programs that are mandated by the State, as the other divisions have mentioned. Our problems are exactly the same, just that the numbers are a little bit different.

Mr. KILDEE. Thank you very much. Congressman Harris?

Mr. HARRIS. Thank you very much, Mr. Chairman.

I have a number of good friends on your school board and am familiar because of that with the growth problems that you have had, and the difficulties you have in a two-thirds rural county and one-third urban county in resolving school policies. There are real challenges in a district like that.

I was surprised, though, and would like to underscore for my colleagues' benefits, if I understand your testimony on page 2, you indicate that one-third of the impact aid students are out of county and would be directly affected by the change in the out-of-county "B" students.

Mr. ATWELL. That is right.

Mr. HARRIS. That is 965 out of 2,765. There has been testimony, I think, presented to this committee that this change would be a relatively minor change as far as the program it is concerned. It would not be a relatively minor change as far as your program is concerned; would it?

Mr. ATWELL. No, sir; it would not.

Mr. HARRIS. Thank you very much.

Mr. KILDEE. Congressman Heftel?

Mr. HEFTEL. No questions, except to verify that the reduction in dollars is also the same as the percentage of students, one-third.

Mr. ATWELL. Yes, sir.

Mr. KILDEE. Thank you very much, Mr. Atwell.

Our panel consists of Mr. Robert H. Miller, president, Alexandria PTA Council; Mrs. Catherine Glashan, legislative chairperson, Fairfax County Council of PTA's, and Commissioner Edward Jaffee, member of the Fairfax County Council of PTA's; Mr. William Canty, director, Northern Virginia District PTA's, and Mrs. Nancy Spilker, legislative officer, Occoquan Elementary Schools PTA.

PANEL CONSISTING OF ROBERT H. MILLER, PRESIDENT, ALEXANDRIA PTA COUNCIL; CATHERINE GLASHAN, LEGISLATIVE CHAIRPERSON, FAIRFAX COUNTY COUNCIL OF PTA'S; COMMISSIONER EDWARD JAFFEE, MEMBER, FAIRFAX COUNTY COUNCIL OF PTA'S; WILLIAM CANTY, DIRECTOR, NORTHERN VIRGINIA DISTRICT PTA'S; NANCY SPILKER, LEGISLATIVE OFFICER, OCCOQUAN ELEMENTARY SCHOOLS PTA

Mr. MILLER. Mr. Chairman, Congressman Harris, Congressman Heftel, my name is Robert H. Miller, I am president of the Alexandria PTA Council. On behalf of the Alexandria PTA I want to welcome you to Alexandria and thank you for making this effort to hold this hearing on this rather important topic to all of us.

The Alexandria PTA's, along with other Northern Virginia PTA's, were instrumental in developing the Virginia Congress of Parents and Teachers position in support of continuing Federal impact aid. This position was adopted by the State Convention at

Norfolk, Va., on October 23, 1977, without any dissenting vote. A copy of the resolution is attached to my statement.

We feel that this program is certainly important and that the funding increase from year to year because inflation erodes the purchasing power of the dollar. Our high cost per pupil is not a result of so-called frills, but simply because in large part due to the special burden of the Federal presence. You already alluded, Mr. Chairman, to the high cost of housing. The almost automatic annual salary schedule adjustment of the Civil Service sets the pace that is difficult for local governments to match.

The tabulation attached to my statement shows that Alexandria's cost per pupil is 81 percent higher than the average in the Tidewater area, which is incidentally another greatly impacted area. Northern Virginia as a whole is 32 percent higher than the Tidewater area, seven school divisions in that area.

It has already been pointed out by Mr. Ring, our school board chairman, and Dr. Stubbings, the assistant superintendent, that there are a great many competing and high-cost elements of the local government here, such as the police and fire protection, environment, transportation; the Metro operating deficit, as well as the Metro capital cost. The 3-percent share of this city's school budget that comes from impact aid is not as large as some other areas, some other jurisdiction, but nonetheless, it is a vital part.

We object to the efforts of the administration to drastically change the formula by going to the 75-percent hold-harmless clause. This is much too rapid a reduction. A continuation of the 90-percent figure would make year-to-year budgeting less harrowing.

We are especially mindful, here in Alexandria, of the aid for children whose parents work on Federal property outside the city. The metropolitan areas is so large and with such numerous jurisdictions, that the aid must logically compensate for the special impact of children of Federal employees, wherever they work. Of course, in Alexandria we have a substantial share of children from public housing—way above the average for Northern Virginia. If Federal policy is to encourage this pattern, then reimbursement of taxes forgiven is reasonable.

We hope the formula can be reenacted in substantially the same manner as in the past, and in a timely manner, so that governing bodies can plan for their budgets for the next year.

We certainly appreciate your interest in this matter and taking the time to schedule this hearing; and urge the continuation of the program. Thank you.

[The complete statement of Mr. Miller follows:]

STATEMENT BY ROBERT H. MILLER, PRESIDENT, ALEXANDRIA PTA COUNCIL

Mr. Chairman, and Members of the Subcommittee: My name is Robert H. Miller, and I am President, Alexandria PTA Council. The PTA Council is a federation of the 20 local PTA and PTSA units representing parents, teachers, and students in each of the public schools in the City of Alexandria.

On behalf of Alexandria PTA's, I want to welcome you to Alexandria, and thank you for making the effort to hold this special hearing in Northern Virginia on the Impact Aid program and its role in the elementary and secondary schools of our area.

Alexandria PTA's along with other northern Virginia PTA Councils and our PTA District Executive Board were instrumental in developing the Virginia Congress of Parents and Teachers position in support of continuing Federal Impact Aid. This position was adopted by the State Convention at Norfolk, Va. on October 23, 1977 without any dissenting vote.

Alexandria PTA's appreciate the support this subcommitttee has given in the past to maintaining the impact aid program and attempting to keep the funding increasing from year to year as inflation erodes the purchasing power of dollars.

In absolute terms, Alexandria has relatively high personal incomes and property tax base per pupil. But we have the second highest cost per pupil among the 141 school divisions in the State. (Falls Church, 1st; and Arlington 3rd). This high cost is not the result of so-called frills, because the schools have already eliminated important teaching and administrative positions, deleted and cut back instructional programs and supplies, and school activities.

Rather, I maintain it is largely due to the Federal Government's presence in the Washington, D.C. area (Washington, D.C., Maryland, and Virginia) that over the years has pushed up price levels and costs. The almost automatic annual salary schedule adjustment of the civil service sets the pace that is difficult for local Governments to match. With a great many high ranking Federal Government, international organization, and embassy employees, schools have to meet a higher standard than for the United States as a whole.

I am sure most of you are aware of the inflation in housing costs in this area. In Alexandria, for example, this means persons on moderate incomes including teachers with families cannot afford to live in this City. School population here has declined 10 percent since 1973 and is projected to decline 5 percent next year.

The attached tabulation shows that Alexandria's cost per pupil is 81 percent higher than the average for the Tidewater area; Northern Virginia is 32 percent higher than for the Tidewater (7 school divisions). In Alexandria, as in most areas, about 85 percent of the school costs represent salaries and fringe benefits.

Those of us with children in public schools as well as most of our neighbors without children in public schools support a reasonable level of local taxes to pay for education. But Alexandria along with neighboring jurisdictions are very reluctant to increase taxes just for schools due to the pressing demands for other major cost items. Police and fire protection, environment, transportation, including WMATA operating deficits (METRO) and local share of METRO capital cost (an interstate project) are just a few.

This means the absence of impact aid would necessitate cuts in our educational programs. The 3 percent share of this City's school budget that comes from impact aid is not as large a share as in a number of surrounding cities and counties. Nonetheless, the approximately $1 million that comes annually to the City is still a vital item for the schools.

We object to efforts of the administration to drastically alter the aid formula. The 75 percent hold harmless clause is much too rapid a change. A continuation of the 90 percent figure would make year to year budgeting less harrowing.

Here in Alexandria, we are especially mindful of the value of aid for children whose parents work on Federal property outside the City. This metropolitan area is so large and with numerous jurisdictions that the aid must logically compensate for the special impact of children of Federal employees regardless of where the parent works. Virtually all estimates indicate the equivalent in property taxes from Federal property in this area is several times the cost of impact aid.

Also, Alexandria has a substantial share of school children from public housing, way above average for Northern Virginia. If Federal policy is to encourage this pattern then reimbursement of taxes forgiven is reasonable.

We hope the formula can be reenacted in substantially the same manner as in the past and in a timely manner so that governing bodies can plan for their budget for 1978–79.

We certainly appreciate your interest in this important item for Alexandria schools and your taking the time to schedule and attend this hearing and urge the continuation of the program.

COMPARISONS OF PUBLIC SCHOOL EXPENDITURES, SELECTED JURISDICTIONS, VIRGINIA, 1975–76

County or city	Expenditures for educations in millions of dollars		Average daily membership number	Cost per pupil in dollars	
	Total	Local		Total	Local
Falls Church	$3.4	$2.7	1,564	$2,148	$1,707
Arlington	39.5	32.9	19,746	2,001	1,665
Alexandria	27.9	21.9	13,549	2,056	1,617
Fairfax City	7.3	5.8	4,861	1,503	1,208
Fairfax County	198.8	143.9	136,722	1,454	1,052
Loudoun	14.2	10.7	13,780	1,029	775
Prince William	46.5	28.9	40,500	1,149	714
Subtotal	344.9	246.8	230,722	1,495	1,070
Chesapeake	28.7	11.7	27,091	1,061	432
Norfolk	62.8	32.9	46,893	1,340	701
Newport News	37.5	20.9	30,000	1,251	696
Hampton	34.5	17.3	29,931	1,151	578
Portsmouth	25.8	11.6	22,300	1,155	522
Suffolk	11.9	4.7	11,270	1,055	418
Virginia Beach	51.7	22.2	55,275	935	401
Subtotal	252.9	121.3	222,760	1,135	545

NOTE.—State total average compiled from "Facing Up" Virginia Department of Education, December 1976.

VIRGINIA CONGRESS OF PARENTS AND TEACHERS

IMPACT AID

(Submitted by Northern Virginia Executive Committee; Fairfax County Council Executive Committee)

Whereas, Federal ownership of property reduces local tax income for school purposes and a Federal project or activity causes an influx of persons into a community, resulting in an increased number of children to be educated, and in part causes a jump in cost levels, and

Whereas, the United States Public Law 874 Impact Aid Program enacted in 1950 (to provide financial assistance to public schools in areas affected by Federal activities, low rent housing projects, and certain natural or major disasters) expires in 1978, and

Whereas, Federal appropriations for impact aid are primarily under a formula grant program that provides an important part of the school budget in a number of the State's larger school systems: 12%—Virginia Beach; 10%—Norfolk; 7%—Fairfax County, Hampton; 5%—Arlington County, Prince William County, Newsport News; 3%—Alexandria, and

Whereas, local governing bodies would have to increase local property taxes in the absence of this revenue or reduce certain educational programs.

Resolved, that the Virginia Congress of PTA supports the continuation of impact aid funding to provide assistance to school districts affected by Federal activities, including payments for students who parents work, but do not live on Federal property and provisions that no payment be reduced by more than 10 percent in any one year due to loss of average daily membership, and be it further

Resolved, that the VCPT officers are directed to send a copy of this resolution to the Virginia Congressional delegation, U.S. Office of Education and the Virginia State Department of Education; and the National PTA Legislation Committee be urged to attempt to secure passage of the legislation.

Adopted without any dissenting vote by the Annual Convention, Virginia Congress of Parents and Teachers, Norfolk, Va., October 23, 1977.

Mr. KILDEE. Thank you very much, Mr. Miller. You may proceed as you wish, and identify yourself.

Mr. CANTY. Sir, I am William S. Canty, director of the Northern Virginia District Parent-Teacher Associations. My area comprises the counties of Arlington, Fairfax, Facquier, Loudoun, Prince William, and the cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park.

We represent approximately 150 PTA local units in our area with approximately 52,000 parents. The educational standards that we have been able to maintain since the revolution in education which was brought on by the Bill of Rights after World War II has been due to maximum local efforts during these inflationary times, and the assistance of impact aid. We have been able to maintain our pace in the educational race that our Nation is engaged in.

From testimony you have heard and will hear later this evening, it will be impossible for local efforts to supplement the millions of dollars of impact aid without seriously lowering the educational standards prevalent in our area. The quality of education we now have available is an inducement to those persons who are called by the government to serve in our area, in addition to those persons who also serve in supportive and government-related businesses that continue to make our metropolitan area grow.

One item, impact aid initially began back in 1941 with the Lanham Act, and it was recognized at that time by the Government that an influx of government personnel or military personnel would impact the school area. In 1950, Public Law 874 was enacted, and it was enacted for the express purpose of making this application in a uniform and a permanent way.

We have in this area and other areas so impacted used this as the basis for the educational standards that we have. The impact of this aid in the whole State is emphasized by a resolution passed by delegates to the Virginia Congress of Parents and Teachers at a Convention in Norfolk, Va., October 23, 1977. That resolution resolves,

> That the Virginia Congress of Parents and Teachers supports the continuation of impact aid funding to provide assistance to school districts affected by Federal activities, including payments for students whose parents work but do not live on Federal property and provisions that no payment be reduced by more than ten percent in any one year due to loss of average daily membership, and be it further resolved that copies of this be sent to the congressional and governmental offices, and to our national PTA legislative group.

Impact aid is vital to our area. It was designed, when enacted, to provide assistance in a uniform and permanent way, as was stated. The need is ever continuing. Any reduction would have an adverse effect on our educational standards.

At this time I would like to express my thanks to the members for allowing me to appear here this evening, and also Congressman Harris and Congressman Fisher for making this hearing known to us. Thank you.

[The complete statement of Mr. Canty follows:]

TESTIMONY BY WILLIAM S. CANTY, DIRECTOR, NORTHERN VIRGINIA DISTRICT OF PARENT TEACHER ASSOCIATIONS

Mr. Chairman and Members of the Subcommittee, my name is William S. Canty. I am the Director of the Northern Virginia District of Parent Teacher Associations and a member of the Board of Managers of the Virginia Congress of Parents and Teachers. My District comprises the counties of Arlington, Fairfax, Facquier, Loudoun and Prince William and the cities of Alexandria, Falls Church and Manassas.

The sweeping revolution in education in the United States of America, made possible after World War II by the Veterans Readjustment Act GI Bill of Rights and the major advances in technology, underscored the need for our nation to maintain technicological superiority as well as military superiority if we were to continue as a free nation. This trend towards continuing education beyond high school developed expanded educational programs locally to meet this need.

The impact of an influx of government/military personnel burdening school districts, previously recognized prior to 1950 by the Lanham Act of 1941, was enacted into Public Law 874 in 1950. Subsequent revisions broadened the scope to include, among other things, children of persons who live or work on Federal property. This governmental financial assistance, coupled with local effort, determines the educational standard of the locality.

The quality of education to meet the needs of our children is dependent upon the millions of dollars funnelled into our communities by Impact Aid funds and our own maximum local effort. Any reduction in these funds would have a detrimental effect on our educational programs. Programs offered in this locality are inducements to those persons called by their government to serve in a civilian or military capacity and to others in supportive and/or government related businesses.

The attached Resolution, supporting the continuation of Impact Aid funding, was passed by delegates of the Virginia Congress of Parents and Teachers in Convention at Norfolk, Virginia and cannot go unnoticed.

The enactment of the Impact Aid Laws and their revisions were designed to provide assistance to school districts in a uniform and *permanent* way. Any efforts to rescind or reduce the formula presently authorized should not be permitted. This Impact Aid is vital to the communities presently in receipt of these funds and is ever continuing. Any reduction would have an adverse effect on our educational standards and programs offered. In addition, it would tend to compromise our nations efforts to maintain technicological superiority among the nations of the world.

Thank you for the opportunity to present this testimony to your Committee and to appear before you.

RESOLUTION OF VIRGINIA CONGRESS OF PARENTS AND TEACHERS

IMPACT AID

Whereas, Federal ownership of property reduces local tax income for school purposes and a Federal project or activity causes an influx of persons into a community, resulting an increased number of children to be educated, and in part causes a jump in cost levels, and

Whereas, The United States Public Law 874 Impact Aid Program, enacted in 1950 (to provide financial assistance to public schools in areas affected by Federal activities, low rent housing projects, and certain natural or major disasters) expires in 1978, and

Whereas, Federal appropriations for impact aid are primarly under a formula grant program that provides an important part of the school budget in a number of the State's larger school systems; 12%—Virginia Beach; 10%—Norfolk; 7%—Fairfax County, Hampton; 5%—Arlington County, Prince William County, Newport News; 3%—Alexandria, and

Whereas, Local governing bodies would have to increase local property taxes in the absence of this revenue or reduce certain educational programs, Therefore be it

Resolved, That the Virginia Congress of PTA supports the continuation of impact aid funding to provide assistance to school districts affected by Federal activities, including payments for students whose parents work, but do not live on Federal property and provisions that no payment be reduced by more than 10 percent in any one year due to loss of average daily membership, and be it further

Resolved, That the Virginia Congress of Parents and Teachers officers are directed to send a copy of this resolution to the Virginia Congressional delegation, the U.S. Office of Education and the Virginia State Department of Education; and the National PTA Legislation Committee be urged to attempt to secure passage of the legislation.

(Passed by delegates of the Virginia Congress of Parents and Teachers in Convention at Norfolk, Va., October 23, 1977.)

Mr. Kildee. Thank you very much, Mr. Canty.

Mrs. Glashan. I am Catherine Glashan, legislative chairman for Fairfax County Council of PTA's.

Honorable Chairman, Mr. Heftel, Mr. Harris, Mr. Jennings, the Fairfax County, Va., Council of PTA's and I are appreciative of this rare opportunity to come before you to express our feelings and concerns on the issue of impact aid. All our youth in Fairfax County, as are nearly all youths throughout the United States, affected by this vital life blood to their school districts.

The resolution being presented this evening has been approved by our memberships. We have collectively resolved to request Congress to reenact the impact aid as it is now written.

We feel impact aid is good. The impact aid money goes into a school district's general fund. This directly benefits all the children of approximately 4,000 school districts that receive this aid. The administrative costs of running this program are minimal.

In 1974, impact aid lost the funds for persons who cross State lines to go to work on a government facility and for those parents on duty in foreign countries. I have watched curtailments of valuable programs such as instruction in art and instrumental music, lunch room aides, health nurses and field trips. In the school year 1977–78 we were without a tuition-free instrumental program. The daily health hazards at our schools of fevers, vomiting, harmed limbs, and split chins are cared for, in many instances, by us mothers who volunteer our time. Many of our lunchroom aides are parent volunteers too, so that our teachers can eat their lunch in peace. Our young budding artists of brush and pen will possibly not be instructed how to go beyond the coloring book lines. And the many wonderful opportunities that are offered here in the metropolitan area for schoolchildren during school hours often go unwitnessed by our Fairfax school children due to severe restrictions in the funding of field trips. All this because $5.5 million was dropped from our school budget in 1976.

My children are neither poor nor wealthy; they are neither handicapped nor genius. They are not considered minority, either. They love school and they learn everything they can at every opportunity they have. Fairfax County schools are educating my children. My children will be tomorrow's wealth, and they will care for our great Nation. Our futures, yours and mine, Mr. Chairman, depend entirely on these very average childrens' education that they are receiving today.

I speak not only about my generic children, but of the approximately 132,000 children in Fairfax County schools. They are the children that are directly affected by the Federal aid given to the school districts to help in the cost of educating our children.

With the rising cost of living, the elevating expense of raising a family in today's world, the parents, teachers, and students of Fairfax County—indeed throughout the United States—are deeply concerned at the threat to our average, middle-class student. Their education does depend on money. It does depend on the public. The finest way for equal education for all children is to have impact aid, not only continued in its present form, but to be added to, so that all our students and their future children will know the benefit of a nation that cares enough to do its very best for its youth.

We, the parents and teachers and students of Fairfax County, Va., Council of PTA do urge you to heed our resolution before you and that the U.S. Congress reenact the enabling legislation and provide funding to maintain the present formula level of impact aid.

Thank you.

[The complete statement of Mrs. Glashan follows:]

TESTIMONY - MARCH 6, 1978

Presented before the Elementary, Secondary and Vocational Subcommittee of the House Education and Labor Committee by:

Cathrine D. Glashan

Legislative Chairman

Fairfax County Council of PTA

8630 Langport Drive
Springfield, Va. 22152
569-4494

I am Cathrine D. Glashan, Legislative Chairman for Fairfax County Council of PTA's.

Honorable Chairman, members of the House Subcommittee of Elementary, Secondary and Vocational Education. The Fairfax County, Virginia, Council of PTA's and I are appreciative of this rare opportunity to come before you to express our feelings and concerns on the issue of impact aid. All our youth in Fairfax County, as are nearly all youth throughout the entire United States, affected by this vital lifes blood to their school districts.

The parents, teachers and students of Fairfax County Council are challenged by the noble words of our National Bylaws; "To secure adequate laws for the care and protection of children and youth."

The resolution being presented this evening has been approved by our memberships. We have collectively resolved to request Congress to reenact the impact aid as it is now written.

We feel impact aid is good. The Impact Aid money goes into a school districts general fund. This directly benefits all the children of approximately 4,000 school districts that receive this aid. The administrative costs of running this program are minimal.

The reason for Impact Aid's existence is just as valid today as it was at its inception. Our country has a good government. This government requires its working people to come to centralized locations to benefit its own efficiency. The Nations Capital, Washington, D.C., is unique in all the land. The population employed here in our area on government facilities do not necessarily live here out of choice. Approximately 40% of Fairfax County school children have parents that work on government facilities. Simple economics tells us that the private industries of Fairfax County rely on the government personnel that have moved their families from other states to come here to work at these various government facilities. Their children benefit from impact aid also. Fairfax County has a good school system. Rather than a negative approach let us say, "Look what ample money put into a public school system can do."

At this time I would like to offer myself as a typical example of a military family that comes to the area for employment. We arrived here the summer of 1975. My husband was selected for a four year tour at the pentagon. The decision to uproot from San Juan Unified School District in Carmichael, California, was made easier only by the fact that my four children would be able to be educated in Fairfax County schools.

In 1974, impact aid lost the funds for persons who cross state lines to go to work on a government facility and for those parents on duty in Foreign Countries. I've watched curtailments of valuable programs such as instruction in art and instrumental music, lunch room aids, health nurses and field trips. In the school year of 1977-78, we were without a tuition free instrumental program. The daily health hazards at our schools of fevers, vomiting, harmed limbs and split chins are cared for in many instances by we mothers that volunteer our time. Many of our lunch room aids are parents volunteers too, so that our teachers can eat their lunch in peace. Our young budding artists of brush and pen will possibly not be instructed how to go beyond the coloring book lines. And the many wonderful opportunities that are offered here in the metropolitan area for children during school hours often go unwitnessed by our Fairfax school children due to severe restrictions in the funding of field trips. All this because 5.5 million dollars was dropped from our school budget in 1976.

I am not here out of choice. We left public neighborhood swimming pools, and parks, low cost utilities and housing to come here for private club swimming (a sport my entire family enjoys) utilities that are three times greater, and our average suburgan house with its gross mortgage.

My children are neither poor nor wealthy. They are neither handicapped or genius. They are not considered minority either. They love school and learn everything they can at every opportunity they have. Fairfax County schools are educating my children. My children will be tomorrows wealth that will care for our great nation. Our futures, yours and mine, Mr. Chairman depends entirely on these very average childrens education that they are receiving today.

I speak of not only about my generic children,but of the approximate 132,000 children in Fairfax County schools. They are the children that are directly affected by the federal aid given to the school districts to help in the cost of educating our children.

With the rising cost of living, the elevating expense of raising a family in todays world, the parents, teachers, and students of Fairfax County - indeed throughout the United States are deeply concerned at the threat to our average, middle class student. Their education does depend on money. It does depend on the public. The finest way for equal education for all children is to have impact aid not only continue in its present form but to be added to, so that all our students and their future children will know the benefits of a nation that cares enough to do its very best for its youth.

We, the parents and teachers and students of Fairfax County Virginia Council of PTA do urge you to heed our resolution before you and that the United States Congress reenact the enabling legislation and provide funding to maintain the present formula of impact aid.

Cathrine D. Glashan

Cathrine D. Glashan
8630 Langport Drive
Springfield, Va. 22152

CDG/aab

Mr. KILDEE. Thank you very much, Mrs. Glashan. The next member of the panel?

Ms. SPILKER. I am Nancy Spilker. You have me listed as Occoquan Elementary PTA legislative chairman, which I am. But I am here speaking to you just as a citizen and a taxpayer. Our executive board has not even had a chance to meet on this question, so I cannot speak to it at all.

I have a few points, if you will bear with me. I do not have a prepared statement like most of the people here. Mr. Heftel, I appreciate your $100,000 tract house in Honolulu, I have lived there, and believe it or not, I came to Washington with welcome relief that I might have the hope of some day owning a home. I did learn one lesson in Hawaii and the high prices there, I hear constantly people saying: "The prices cannot keep going up, the people cannot afford it." Well, in Hawaii you learn quickly, you can either afford it, or you do without. I do not think that my children should do without because we cannot afford quality education in our county.

You have heard before how our county—the courthouse is in another jurisdiction—our taxpayers refused another tax increase. I am sorry, I cannot give you the hundred percent evaluation, my mind is not working like that, we are on 32 percent evaluation. In 1976 our tax rate was $3.62 per 32 percent. It jumped in 2 years to the present level, $5.25. I have been in my house 1½ years, and my mortage jumped $35 in 1½ year's time because of our increased tax rate.

We have presented to our county board of supervisors a school budget, asking for $6.1 million, and they are telling us that is too high. They are telling us we can only have $1.2 million, that is all that they can afford. That $1.2 million will barely pay the debt service on our new high school that we voted on, that we desperately need. It will not put back in the field trips that were cut; it will not put back the 50 percent instructional services that were cut from last year's budget. We lost, admittedly, 5,000 students to Manassas and Manassas Park in Prince William County; that was one-eighth of our school population. But our instructional services had to be cut by 50 percent because the money was not there.

The county board of supervisors said that $5.25 was as high as the taxpayers would go. Our tax rate is the same as Fairfax County's: and yet, we have a quarter of the population. Our impact aid will be approximately $2 million. Do you know what we could do with $2 million? I can see it in my little girl's school. We are on year-round school down in Prince William to try to afford decent schools to our children. Do you know what a year-round calendar is? Our children are in school year round. We do not go 9 months, and off 3, we go 9 weeks and off 3, with a quarter of our students out at any one time. My girl is green calendar, yet I have friends whose children are orange calendar, and blue calendar, and red calendar. When you talk about snow days, we make snow days up on Saturdays. Last Friday my little girl will be going to school on May 20 because last Friday we stayed home because of snow. You have mothers looking for babysitters on blue calendars because she is blue calendar, and the babysitter wants her green calendar vacation time free. [Laughter.]

Ms. Spilker. You laugh, but they are real problems. What about track and football? You have a 3-week break each autumn, every color calendar, and what do you do? You have to come back to school anyway because you want to partake in your sports because we are year round. The reason we are year round, gentlemen, is so that we can make maximum use of our existing buildings—maximum use of our existing buildings. We cannot afford any more tax rate. You ask your board of supervisors what will happen, will you increase your tax rate, or will you cut. In Prince William County they will cut, I can tell you. They have cut. They have cut back what they call variables. So, please, gentlemen, do not cut any more, we need that $2 million. We are 73-percent residential because of the Federal Government. One-third of our children are federally impacted students, and we need that $2 million. We do not have the industry coming following behind to help support our tax base. Please, leave it in for us.

Mr. Kildee. Thank you very much, as a panel. We will go to questions now, and you may respond as you will. I will defer questions myself and turn to Congressman Harris.

Mr. Harris. Thank you very much, Mr. Chairman. I would like to make a point here that we have four citizens with an interest in the schools that prepared their testimony and were scheduled tonight with less than a week's notice. And the reason I want to make this point is, I of course did not learn of Secretary Califano's testimony until last Monday, the day before he was going to testify, as I recall.

The testimony you are hearing here tonight, and the turnout you have seen here tonight is as a result of a 1-week "hotline" of getting the word to those who are interested in education.

Mr. Chairman, if the Secretary gives us 2 weeks the next time, we are going to have to hire a hall. [Laughter.]

Mr. Harris. But the preparation here was on very short notice. I wonder if any of you would like to comment on the "hold harmless" testimony you have given—at least two of you have given the importance of it. How much leadtime do you need on a school budget, and how difficult is it to keep finding an item of revenue is cut more than 10 percent with just 1 year's notice, or with less than 1 year's notice? How important is this "hold harmless provision," in your opinion?

Mr. Miller. Mr. Chairman, Congressman Harris, the problem of developing a school budget has been highlighted by the school administrators and school board members that you have heard. As an observer and participant in the budget process I can certainly reemphasize the point that they have made, that these budgets are developed very early, approximately 6 to 7 months prior to the beginning of the school year. In fact, the planning begins in September in Alexandria for the budget that begins July 1.

Any unforeseen change simply has to be made up in a very small share of the budget that is in some very limited areas of programs because once the teachers are hired, essentially their contracts are set, it is very difficult to make these shifts. I think that this 90 percent "hold harmless provision" is a very minimum kind of change—I should say the maximum type of change that would be utilized.

Certainly, phasing out a program in 4 years is just unbelievable, to try to absorb in the budget. Particularly, we have the extreme range in the jurisdictions that you have heard from. In close-in areas like Alexandria and Arlington, where school populations are decreased, we have to consider closing schools; as well as the expanding populations of Prince William and Stafford Counties. So, this kind of change, as I understand it, causes tremendous problems for school officials and local governing bodies.

Mr. HARRIS. Thank you very much.

The point that I would be bold enough to make on the record, Mr. Chairman, I truly think there must have been people in HEW who actually believed the changes they were proposing would not have a profound effect on some of the school districts. The testimony we have heard tonight over and over again, some of the effect could be up to one-third of the amount the school districts will receive.

I am so pleased that the committee could move so fast to schedule these hearings to hear the direct and specific testimony here of this "minor adjustment," the profound effect it has on these school districts.

Mr. KILDEE. You pushed us into hurrying. [Laughter.]

I call on Congressman Heftel.

Mr. HEFTEL. The obvious observation here is a reduction that is unrelated to anything that is actually occurring in the school systems. The costs of the systems are going up, and yet, there is an arbitrary decrease in what has become a pattern of income upon which school systems have relied. I really think that HEW should be exposed to a citizens' hearing like this, in this area, because I do not think anything else can tell the story as well. I would like to hear what they say when they listen to people like you express yourselves as the citizens who pay their salaries.

Mr. KILDEE. Thank you very much, Congressman Heftel. I want to thank the panel for the very informative comments.

Mrs. GLASHAN. I would like to share with you our evening meal conversation. My sophomore daughter at West Springfield High School came home and told us that she was going to have to buy her third book for $3.85 that was demanded by the teacher, that she will be tested upon. Sixty sophomores are going to have to buy a book, the class is required. This is a wealthy school district, and we are having to have to supplement. She will not be able to take typing until she is in high school because there is not enough money.

Mr. HEFTEL. This is a wealthy school district by whose description?

Mrs. GLASHAN. Well, that is what somebody out there keeps telling me.

Mr. HEFTEL. Thank you.

Mr. KILDEE. You raised a good point and I would like to comment on that. You know, this is the age of consumerism, we are pretty concerned about the consumer; and very often those who are responsible for even education can lose sight of the consumer—that is the pupil. When you find a problem like this, I think that brings home to us that question very, very clearly. I think we in the Congress can lose sight of that, too.

I served for 12 years in the State legislature before coming to the Congress and was in charge of the education budget of Michigan. That was one thing I used to prod my committee members on, to remember that those are our customers out there. So, I appreciate your comments. Thank you very much.

We have another panel now, please come forward. Ms. Janice Plumlee, president of the Education Association of Alexandria; Mr. Vic Cornacchione, president of the Fairfax Education Association; Mr. Rick Nelson, president, American Federation of Teachers, an association which I belonged to; Mr. James O'Cain, president of the Prince William County Education Association; Ms. Mary Futrell, president of the Virginia Education Association; Ms. Marjorie Sale, executive director of the Arlington Education Association, and Ms. Karen Maffett, Loudoun County Education Association.

If you would share the mikes, I see we have the federation and associations together here. I, at one time or another, belonged to both of them.

Mr. HARRIS. The impact aid brings a lot of us together, Mr. Chairman.

[Laughter.]

Mr. KILDEE. If you will, for our reporter, as you proceed, give your name for the record.

PANEL CONSISTING OF JANICE PLUMLEE, PRESIDENT, EDUCATION ASSOCIATION OF ALEXANDRIA; VIC CORNACCHIONE, PRESIDENT, FAIRFAX EDUCATION ASSOCIATION; RICK NELSON, PRESIDENT, AMERICAN FEDERATION OF TEACHERS; JAMES O'CAIN, PRESIDENT, PRINCE WILLIAM COUNTY EDUCATION; MARY FUTRELL, PRESIDENT, VIRGINIA EDUCATION; MARJORIE SALE, EXECUTIVE DIRECTOR, ARLINGTON EDUCATION ASSOCIATION; AND KAREN MAFFETT, PRESIDENT, LOUDOUN COUNTY EDUCATION ASSOCIATION

Ms. PLUMLEE. I am Janice Plumlee of the Alexandria Association of Teachers.

Mr. Chairman and members of the subcommittee, thank you for the opportunity to speak with you about the impact aid law.

The Education Association of Alexandria favors full funding of impact aid as part of our concern for full funding of education. In northern Virginia, federally-related children have a large effect on each school system. In Alexandria, a number of factors contribute to this:

One: Large pieces of valuable land being federally owned. This property which includes military installations, highways and public housing, is not subject to local property taxes on which school revenues are based.

Two: Loss of sales tax revenue. Cameron Station Commissary does a tremendous business in groceries and other items which are exempt from the local sales tax. Military personnel who do live in private housing, as well as those who reside on government land, are thus not contributing to local revenues through sales tax.

Three: The large number of children in public housing. Alexandria has the largest amount of public housing in any jurisdiction in northern Virginia. This is a large share of the Federal burden in this school system. We believe children from such housing must not be distinguished from other federally-related children.

Four: Non-English speaking children in the school system. The particular nature of the Washington metropolitan area means that an abnormal percentage of our population is non-English speaking. This includes federally related children, public housing children and non-federally related children whose families are in the area because of the Federal presence. The cost of educating these children is greater than the cost of educating other children in the school system, and no other funds now help to shoulder this additional burden.

The administration's proposal for revision in the impact aid program would mean that Alexandria's share would go from just over $1 million projected for fiscal year 1978 to $290,000 in 1979. This reduction of $739,000 would seriously handicap Alexandria's educational program. It is the equivalent of 44 teaching positions, or over 7,500 textbooks. Alexandria, and the other school systems in northern Virginia are already in serious financial straits, yet Federal and State governments continue to try to whittle their budgets at the expense of heavily overburdened taxpayers.

The rationale for the impact aid program at its inception and throughout its life is still valid. The Federal presence takes away revenue and adds to the responsibility of Alexandria and neighboring school systems. We rely on your good judgment to maintain this support which is vital to our community and schools.

Thank you.

Mr. KILDEE. Thank you, Ms. Plumlee. The next member of the panel?

Ms. SALE. Chairman Kildee and members of the subcommittee, my name is Marjorie Sale. I am the executive director of the Arlington Education Association, representing 1,000 teachers and aides in the Arlington Public Schools. We are the local association of the National Education Association in Arlington.

I welcome this unusual opportunity to address this subcommittee on a matter of high import to our community. We greatly appreciate the committee's initiative to come to our locality and hear the impact of Secretary Califano's recommendation on our community.

When Public Laws 81-874 and 81-815 were first enacted, the intent was to relieve local school districts of some of the severe impact of educating children who were connected with Federal activities in the area. This intent is still worthwhile and very important, especially in our community.

The Federal impact is felt in Arlington in four very significant ways. First, as you have or will hear testimony this evening, Arlington has approximately 5 thousand children out of a total school population of 18 thousand children who qualify under the current impact aid criteria. Whereas our cost per pupil to educate these children runs at just over $2,000 a piece, in the current year the Federal Government is recompensing us about $360 per child for a total grant of about $1,800,000. For those families who live on Federal installations, Arlington loses a considerable amount of money that would have been generated in local real estate property taxes. Whether or not these children live on Federal installations, if they are connected to the military, Arlington County loses sales tax revenues on PX and commissary items, personal property tax on privately-owned vehicles, and auto tag tax for those same vehicles, many of which are registered outside the State of Virginia.

The second significant impact on the Arlington schools of the Federal presence relates to the fact that nearly 25 percent of the land area of Arlington County is owned or occupied by Federal Government installations. The Pentagon, National Airport, Fort Myer, Arlington National Cemetery, Arlington Hall Station, and the George Washington National Parkway occupy huge areas of this county. The property tax loss on this land is significant, totaling more than $9 million a year.

But, in addition, the county loses sales tax that would be generated on purchases made at National Airport, Fort Myer, the Pentagon and Arlington Hall Station facilities. In addition, one could suppose that, if these land areas were available for private development, some portion would be developed as commercial properties, office buildings, hotels and industrial sites. Such facilities would generate gross receipts tax under our business privilege tax ordinance, so the county is also losing significant revenues on that account.

The original impact aid formula was not intended to cover the next two categories of children, but they are part of the Federal presence in the Washington area.

The third area of impact on the Arlington schools related to the Federal presence has to do with the number of children of the diplomatic community who reside in our county and are educated in our schools. Let me emphasize at the outset, these children are abundantly welcome in the Arlington schools, and they do much to enrich the cultural education that we can share with our children. However, these children live in homes that are not subject to the property tax, and the adults in their families own sales tax relief cards, so they do not pay any of the State of Virginia sales tax.

Besides children of the Embassies and Chanceries, there are children of other international organizations, such as the World Bank and the World Health Organization, whose families are immune from the State income tax.

The county has not made a census of these children; but, through information available to us, we estimate that the number of such children could range between 180 and 360 out of our total population.

Considering the county tax contribution for each child in our schools is $1,947, the cost of providing educational services for these children could range between $350,000 and $750,000, a significant portion of our $40 million budget. In addition, the diplomatic children have a fairly frequent turnover, that is, a Chancery may own a particular house in a certain school district, but on a 2 or 3-year cycle new families occupy the house. So, just as you have made one family of children conversant in English and independent to work in the schools without extra help, that family leaves the United States and is replaced by others. These children speak more than 40 languages in the Arlington public schools as they arrive.

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As I said at the beginning, we are delighted to have them, but they represent a significant cost to the county taxpayers that is directly related to the Federal presence.

The fourth heavy impact of the Federal presence on the Arlington schools has to do with our large Vietnamese and Indochinese population. When the United States offered sanctuary to the Vietnamese refugees, many came to the Washington, D.C., area because they were acquainted with military and State Department personnel who lived in northern Virginia. In the years since their arrival, many others have arrived to join their extended families here. Our Vietnamese community, excluding Cambodians and Laotians, now account for 2.5 percent of our school population, or between 400 and 500 children. Categorical aid for these children has now stopped, although the arrival of new children has not. We are told by the newspapers that there may be yet another large arrival of Vietnamese pupils relating to the entry of the boat families.

As I said relating to our children from the diplomatic community, Arlington has welcomed these new residents with open arms, and these children have also enriched the milieu of our schools. However, they have represented a considerable expense to the community to make them independent in the English language so they can function in our schools without special help. In addition, Arlington has tried to provide bilingual education in subject areas so that students may continue to progress in mathematics, science and other areas in their own native language as they are learning English. Federal aid to meet these needs has never reached the actual expenditures that the county has in providing services to these children.

In his message relating to impact aid, Secretary of Health, Education, and Welfare, Joseph Califano has proposed that certain parts of the impact aid formula be reduced or eliminated. The first of these is to limit the category "B" children to only those whose parents live and work in the county. This proposal is unjust and inequitable. Military personnel who live in quarters in Arlington County, but who work in the District of Columbia represent a loss in real estate property tax, sales tax on commissary and PX items, personal property tax on their vehicles and automobile registration fees. The children of other Federal employees who live in Arlington County, but who work outside the county may also represent the loss of sales tax, personal property tax and gasoline tax, especially if they are connected with the military.

Secretary Califano also proposes a 3-percent absorption provision requiring that any district be expected to absorb the first 3 percent of federally-connected youngsters. Each federally-connected child represents an expenditure of local tax dollars and a loss of local tax revenues, and each federally-connected child should represent some recompense to the school district providing service.

Secretary Califano's hold harmless clause of 75 percent does very little to protect the Arlington schools. Our current rate of recompense is $1,800,000; by 1981 this would be reduced by two-thirds.

We advocate the updating of eligibility for assistance in communities like Arlington where the Federal Government owns a substantial portion of the land in a school district. We advocate the concept of fully funding for impact aid so that the Arlington School Board can anticipate the level of funding it will receive as it prepares its own budget for the next school year. We advocate a guarantee of full payment for all children of military personnel, regardless of where the parent works. We advocate a funding formula that adequately recompenses school districts for the cost of educating federally connected children.

Our position is unique in the United States. For such a small, densely populated county we have the largest fraction of our land area under Federal use. Our local government suffers perhaps the largest loss of tax revenue because of this Federal presence. Our association vigorously opposes any reduction to the impact aid formula and any lessening of Federal support for services provided federally connected children.

Mr. Kildee. Thank you very much, Ms. Sale. The next member of the panel?

Mr. O'Cain. Mr. Chairman and members of the subcommittee, my name is James H. O'Cain. I am the executive director of the Prince William Education Association, Prince William County, Va.

As is usually the occurrence in proceedings such as these, many of the points that could be made have already been made, and I shall attempt in every way that I can not to be repetitious.

Mr. Kildee. If you will summarize, we will make sure that your total testimony is entered in the record.

Mr. O'Cain. I first would like to express appreciation to you for coming here, and to you for allowing us to be here to give testimony to you and to Representative Harris for being as alert and as vigorous as he has been in apprising us of the situation at hand.

The history of education in recent years, gentlemen, is one of lack of funds. There are no funds for expansion of programs that educators find desirable and advantageous. There are no funds to employ additional instructional staff in necessary numbers to prevent class sizes from becoming overburdened. There is, consequently, an alleged surplus of educators because of this lack of funds, when in actuality, should teachers be employed in sufficient numbers to keep class sizes at a reasonable level, it is our opinion that we would actually experience a teacher shortage.

In the face of these conditions, local taxpayers are being called upon more and more to foot the bill for public education, while receiving less and less aid from the other levels of government. In the day of such conditions, we are witnessing in many localities and political jurisdictions what has come to be known as the taxpayer revolt, resulting in the failure of school bond proposals and school tax increase request, and further resulting in the closing of schools in many jurisdictions for a part of the school year. For example, the very tragic illustrations recently in the State of Ohio.

The proposals contained in the Governor's budget in Virginia contained several proposals calling upon local governments to assume the cost of education in many areas that have traditionally been borne by the State government. We do not yet know the outcome or the full impact of this proposal upon our school systems. However, even if we are successful in persuading the State government to retain these fiscal responsibilities, our own school district and others in the State of Virginia can ill afford to lose any part of the Federal aid. In Prince William County alone approximately one-third of the total enrollments in our public schools are federally related, and approximately $3 million in tax dollars worth of land in Prince William County is federally owned and not subject to taxation.

Professional educators have long contended that the financial burden of public education should fall equally upon the three levels of government. Hence, for a good while now we have been asking that the Federal Government drastically increase its financial support of the educational process—not decrease it.

Conditions in our schools today, many of which are related to finances, interfere with the effort to provide quality instruction, and thus we are seeing across the Nation a decline in standardized test scores, indicating a decline in the quality of instruction and teachers are in many cases being held accountable for these conditions over which they have no control.

The aim of the education profession is indeed to provide the best education for each child, commensurate with his learning ability. But the cost of education has not been protected from inflation, and we drastically need your help in maintaining the level of quality and perhaps moving ahead with that business of quality education for all.

Thank you very much.

Mr. KILDEE. Thank you very much, Mr. O'Cain. The next panelist?

Ms. MAFFETT. I am Karen Maffett, the president of the Loudoun Education Association. I will be brief today because much of what I have to say, my colleagues have already said.

The educators of Loudoun County firmly believe that it is the responsibility of the Federal Government to contribute towards the cost of educating federally-connected school children. We further believe that it is a Federal obligation to see that these children receive a quality education. Therefore, on behalf of the Loudoun Education Association I would like to urge you to defeat the Administration's proposed changes to P.L. 81-874.

Property owned by the Federal Government reduces local tax revenues for school purposes. An additional Federal project causes an influx of persons and both school enrollments and costs are increased with no corresponding tax income. President Carter's plan would cause a loss of over $450,000 a year to Loudon County. A cut such as this would drastically affect the quality of education in Loudoun County.

With the long-term trend toward more Federal requirements such as paying unemployment compensation for teachers, higher social security payments and federally-mandated programs such as those of Public Law 94-142, Loudoun County cannot afford to lose these impact aid funds. If we do not receive this money, either the local tax rate will have to be increased or there will be cuts in the education budget. We have recently had a 40 percent tax increase and any further increase would be unacceptable.

Teachers in Loudoun County therefore urge the Education and Labor Subcommittee not to recommend a cut in impact aid in order to maintain the present quality of education in Loudoun County.

Mr. Kildee. Thank you very much, Ms. Maffett. The next panelist?

Mr. Cornacchione. Congressman Kildee, Congressman Harris, I am Victor Cornacchione, and I am here tonight representing the Fairfax Education Association. I would like to say that we do, gentlemen, appreciate the opportunity you have given us this evening to come and express our views. I would expecially like to thank Congressman Harris for alerting us to this hearing tonight.

I found a letter just this evening from Congressman Harris to one of my predecessors which was dealing with impact aid funding problems back in March, 1976, approximately two years ago. So, we appreciate your continued efforts.

Impact aid moneys are essential in Fairfax County. Our local school division's budget request for fiscal year 1979 exceeds some $260 million, and of that amount, $12.5 million was expected to be realized as revenues received as Federal impact aid moneys.

Preliminary analyses by members of our local school administrative office have indicated that this would equate out to somewhere around $5 million. Now, I have taken the liberty of translating that $5 million into some speculation as to what might happen in a county such as Fairfax if we had to contend with the loss of that money, if it were not in some way brought about as revenue for us by either local funding, or funding in some fashion. The starting salary for a teacher in Fairfax County is $9,908 at the present time. If we have a reduction in force based on that amount of money, it would involve approximately 492 teachers. It could mean the elimination, the delay, or partial implementation of a class size reduction from 30.1 students to 28.1 students in grades 4 through 6, which we are doing to meet State accreditation standards. These standards are mandated by the State of Virginia, which does not make funds available to a locality to carry them out. That is going to cost in Fairfax somewhere around $1.5 million.

Or, it could result in the loss or reduction of the budget allocation increase which we have this year to purchase textbooks and instructional supplies, an amount of over $1 million which we have had in our school budget request this year, which is to partially offset the problems which we have had in the past recent fiscal years with budgetary constraints in Fairfax County.

Or, it could mean the loss of cost-of-living salary adjustment for the 12,000 school employees in Fairfax County, a cost-of-living salary adjustment which is, by the way, based on the August 1976 to August 1977 economic figures. There was no cost-of-living increase in Fairfax County 2 years ago.

Or it could mean a delay in much needed replacement of buses in our county's very large school bus fleet. We are hoping to replace some 87 buses this year.

Not only could these or other kinds of budgetary actions occur, but they would occur at a very difficult time. As has been pointed out, our school board does go to the County Board of Supervisors to obtain the moneys needed for the school budget, and while the school boards' budget is complete, the county will not, as you have already heard, make its decision as to how much money will be transferred to the schools until later this year.

With a budgetary process as involved and complicated in a county such as Fairfax, we hope that the impact aid moneys, the loss of them—a real loss or estimated loss—will not come in and further complicate that procedure.

We are also concerned—not only provincially about what will happen, but we are concerned to see what will happen with other areas in our neighboring jurisdictions; what will happen across the State of Virginia, what will happen across the Nation. Just from a very tentative look at proposals, we wonder if some of the concerns we have will be met with what has been presented to us. We think that really needs some very careful and in-depth research type of look, and that probably only you have the ability to do. We hope that you will do that.

We do feel that the money spent on education in Fairfax is a good investment, and we are proud of the achievements we have made in Fairfax County. We hope that you will help us continue to be able to fund our education system properly. Thank you.

[The complete statement of Mr. Cornacchione follows:]

PREPARED STATEMENT OF VICTOR E. CORNACCHIONE, PRESIDENT, FAIRFAX EDUCATION ASSOCIATION

Chairman Perkins, Members of the House of Representatives Subcommittee on Elementary, Secondary and Vocational Education, my name is Victor Cornacchione and I am here tonight representing the 6,600 educators who are members of the Fairfax Education Association of Fairfax County, Virginia. We genuinely appreciate the efforts this subcommittee has made to enable us and other citizens to share our views with you about the Impact Aid program.

We were aware that efforts to revise the method of allocating Impact Aid funds would need to be addressed at some point after the "stabilization compromise" of 1974, but we didn't feel it would be this soon, or this drastic, or that we would have so little time to digest proposed revisions once they were made. We hope our comments will help you understand the need for you to research this issue much more than we have done or than we are capable of doing.

Impact Aid program monies are essential in Fairfax County. Our local school division's budget request for FY 79 exceeds 260 million dollars, and of that amount, 12½ million dollars was expected to be funded through Impact Aid. It is now our understanding, from a preliminary analysis of the situation by our school division's staff, that Fairfax County could sustain a loss of $4,924,500 of that amount. We don't want to believe that our Congressional representatives wish us to have to absorb this tremendous financial burden.

In Fairfax, for example, if this revenue is not forthcoming, it is entirely possible that one or a combination of the following budgetary actions could become necessary in our county:

(1) RIF, reduction-in-force, for 492 teachers (first year teachers begin at a salary of $9,908).

(2) Elimination, delay, or partial implementation of class size reduction from 30:1 to 28:1 in grades 4–6 to meet state accreditation standards (the state mandates the changes, but does not make funds available to implement them) and which is projected to cost $1,449,555.

(3) The loss or reduction of a $1,014,200 budget allocation increase to purchase textbooks and instructional supplies.

(4) The lost of a COL salary adjustment for 12,133 school employees which is based on *August, 1976—August, 1977* figures.

(5) A delay in the much needed replacement of some 87 buses in the county's large school bus fleet.

Not only could these things happen, but they would be most untimely because of the nature of our local school budgeting process. Our school board does not have fiscal autonomy and must get its funds through the action of a country board of supervisors. And while the school board's budget is complete at this time, the board of supervisors will not deal with their request until May. If enough funds are not transferred, the line item juggling process begins. This is difficult enough without additional complications due to a short fall, real or estimated, in Impact Aid. We respectfully ask that you help us prevent the need for hasty, last minute decisions in our locality.

Finally, we must say that the time span thus far has been much too brief for us to study the proposed revisions in any depth. We are concerned with what will happen in our neighboring jurisdictions, and across the state and the nation. We understand and agree that equity problems need to be resolved but we are less than certain that a more fair distribution of funds will take place. We hope you will resolve that to your satsifaction before acting on these or any forthcoming recommendations on Impact Aid funding. The Federal, local and state money spent in Fairfax County produces good educational results, results that we are proud of. We request that you will continue to fund us adequately to support the necessary costs of education in this metropolitan area.

Again, the Fairfax Education Association thanks you for this opportunity to share some ideas with you.

Mr. KILDEE. Thank you very much. I do not want to interrupt the panel, but I am amazed, this area is really an area of interesting contradictions. You have here extremely high housing costs, as I found out when you came here, incredibly high housing costs, and you mention that your starting salary for teachers is $9,900.

Ms. PLUMLEE. We would like to talk about that. [Laughter.]

Mr. KILDEE. That is incredible. Where do the teachers live?

Ms. PLUMLEE. We live in ghettos and very small places.

Mr. CORNACCHIONE. I would just like to mention, since you brought that up, a piece of information from the *Fairfax Journal* of last week. According to statistics which are being quoted by the editor there from the Federal Home Loan Bank Board, the average cost of new homes in the Washington metropolitan area is now $67,500; and the editor goes on further to point out that that is 15.4 percent higher than it was 1 year ago.

Mr. KILDEE. Thank you very much. The next panelist, please.

Mr. NELSON. Mr. Chairman—correction, "Brother" Chairman and members of the subcommittee. My name is Rick Nelson, I am a teacher at Thomas Jefferson High School in Fairfax County. I would like to thank you on behalf of the members of the Fairfax County Federation of Teachers and myself for this opportunity to express our views on impact aid funding and its role in the elementary and secondary schools of our community.

The subcommittee has previously received testimony in support of impact aid from Albert Shanker, president of our national affiliate, the American Federation of Teachers. In December, the AFL–CIO also reiterated its support for impact aid funding at its Los Angeles convention. The educational resolution adopted by that convention called impact aid, "a crucial element in the Federal aid to education package of over 5,000 school districts." The Fairfax County Federation of Teachers would like to offer some observations on the issue of impact aid as viewed from the level of our own local classrooms.

There are many considerations which have traditionally been raised in opposition to impact aid. We believe these points can and should be answered. It has been proposed that because many communities actively seek to attract Federal employment, the inducement of offering impact aid to localities is unnecessary. We believe it is true, however, that most jurisdictions welcome all potential employers, public and private. Private employers contribute to funding the education of employees' families through commercial and industrial property taxes, which in most communities are a major source of revenue for education. Those communities who have sought Federal installations have done so with the understanding that the Federal Government contributes the cost of educating the families of government employees through impact aid payments.

Secretary Califano proposed to this subcommittee on February 28, 1978, elimination of impact aid payments for children whose parents work on Federal property outside the county in which the school district is located. The rationale offered was that these children are not associated with a loss of taxable property to the school district because they live on residential property within the district. This rationale would seem to assume that residential property taxes alone are appropriate for support of education. It fails to consider the loss of commercial tax revenues suffered by State and local jurisdictions when they must serve the families of a tax-exempt major employer. Nationally, according to a recent GAO audit, nonresidential property taxes account for nearly one-half of all property tax revenues used to support education.

We believe the reasons cited for impact aid in the 1950 House Report of the Committee on Education and Labor remain valid today. Federal employment increases the number of children a school system must educate, while tax-exempt Federal property reduces the sources of revenue available for education.

We know of no private employers who are allowed to pay only that fraction of their commercial or industrial property taxes represented by the percentage of their employees who live within the boundaries of their particular political jurisdiction. The effect of Secretary Califano's recommendations, if implemented, would be to shift a much higher than normal share of the property tax burden onto residential homeowners. Both Federal and non-Federal employees would suffer from the loss of these employer contributions to the support of education.

We support the proposed amendments to the impact aid authorizing law which would restore the entitlements for subsection 3(b) out-of-State children which were eliminated in the 1974 amendments.

Washington area jurisdictions indeed receive large impact aid payments, yet this is not unexpected because these districts include some of the largest school systems in the Nation, as well as the Nation's largest concentration of Federal employees. These factors, we believe, would justify large Federal contributions. Yet, the actual percentage of local school budgets paid for from Federal funds is very low. For 1976–77, Federal funds accounted for only 9 percent of the total school budget for Fairfax County, and 8 percent for Alexandria. Overall school expenditures are also low: In Fairfax County last year's school spending was only $1,628 per pupil. There were 15 States that averaged a higher per pupil expenditure last year; yet, the cost of living by school employees in this area is one of the highest in the Nation. If impact aid funds are reduced, there is no doubt that teachers and other school employees—not administrative anyway—will bear the major burden of absorbing those reductions.

I would just like to make some statements about what the chairman brought up previously about costs here. I can use the figures from last year to correlate in Fairfax County the average home cost $64,600. The average take-home pay of a county teacher—take-home, average—was $10,700. As you say, a teacher making $10,700 take-home pay cannot afford to buy a home in this area. There is no low-income housing available, very little for teachers. Most teachers are confined to teacher ghettos, on the fringes of this community. They are essentially disenfranchised because they cannot vote here, and of course that weakens their political power when it comes time to cut the budget.

It is not only salaries. The average teacher here would be a GS-8, step 7 in salary, on the Federal pay scale. Yet, with a college degree the average Federal worker is a GS-12 and earned an average of $23,000 last year. Our county teachers in Fairfax County have lost 10 percent of their salaries to inflation—10 percent the last 5 years alone. Yet, the only factors that teachers worry about, of course, are not salaries. As a former teacher you realize that a lot of the compensation that we receive from our work is that feeling of accomplishment we get from teaching—and we are losing that, too.

The *Fairfax Journal* last month pointed out that Fairfax County has the largest class size, the largest pupil-teacher ratio in the State of Virginia. Parts of the State are very poor, yet, we have the largest average classes. The county could not, and keep with State law, increase class size any further. We are already at the maximum in the elementary schools and the high schools for class size. Teachers are already bearing a burden for the low share of school funding, which we have in this area, partially due to this Federal presence, and the fact that the community is forced to rely on residential property taxes for most of its revenue. About 85 percent of our property tax revenue is residential here, instead of half, as in the rest of the country.

The children who suffer more, of course, are the children in the classrooms, even more than the teachers.

We think impact aid is necessary, justified, and effective as a method of distributing education funds. It requires a minimum of administration and is a model for what a general aid program should be. Impact aid can be used to help school districts reduce class size, buy needed materials, hire needed teachers, and do many other things that no other Federal program is directly available for.

We hope this subcommittee will seek to maintain this Federal support for education which recognizes the Federal Government's role as a major employer in our communities.

The subcommittee, the committee, and the Congress as a whole have been responsive to the public needs in the past, and we appreciate it very much, and we wish you luck this time. Thank you.

Mr. KILDEE. Thank you very much, we appreciate the panel's presentation. I really have no questions myself. Congressman Harris.

Mr. HARRIS. Thank you, Mr. Chairman. I would like to ask unanimous consent to include in the record at this point a copy of a letter directed to me by Mary Hatwood Futrell, the president of the Virginia Education Association.

Mr. KILDEE. So ordered, without objection.

Mr. HARRIS. Thank you, Mr. Chairman.

[The letter referred to above follows:]

VIRGINIA EDUCATION ASSOCIATION,
OFFICE OF THE PRESIDENT,
Richmond, Va., March 3, 1978.

Hon. HERBERT HARRIS,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE HARRIS: I am writing this letter on behalf of the 44,000 members of the Virginia Education Association. Because of the late notification of the hearing you are conducting March 6, 1978, I am unable to be in attendance to testify regarding impact aid funds for Virginia. However, I am submitting this letter on behalf of educators and children in Virginia with reference to this particular issue.

I would like to encourage you and the members of the House Education and Labor Committee to oppose any efforts to eliminate the impact aid fund. The state of Virginia would lose between $37 and $40 million in federal aid if Congress decides that these funds are to be eliminated. Such an action would have a devastating effect on public education in the Commonwealth. Virginia has been experiencing financial problems as I am sure many other states are as well. A withdrawal of funds at this time or in the near future would cripple education as we know it in this state and country. As an educator and a member of the Virginia Education Association, it is very distressing to learn that the Carter Administration (or any other for that matter) is advocating the elimination of these funds. At a time when much pressure is being applied to the schools to increase their efforts to better educate the children and youth of this nation, and when increases in the total education budget are needed, it is ironic that this categorical item is proposed for elimination.

Further, I would like to stress three additional points relative to impact aid.

1. There is a strong need to simplify the method of computing the amount of the aid which school districts are entitled to receive. The method should incorporate the state or federal average per pupil expenditure rather than figures from comparable districts.

2. Payment should be made no later than October 30 to school districts at 75 percent of the previous year's payment, with adjustments made later based on actual current year data. This would greatly facilitate local school districts in utilizing the money for education expenditures during the school year for which the funds are earmarked.

3. Guarantee full payment for all children of military personnel (A & B category children) in heavily impacted districts, i.e. Fairfax County has a high percentage of military personnel; therefore, if impact aid funds are eliminated, it would lose $13 million in impact aid funds.

Fifty-nine counties and three towns in the State of Virginia require impact aid and therefore, would be adversely effected if these federal funds are withdrawn from our state. As you can see, and I underscore again the point I raised earlier, such a withdrawal of funds would have a devastating effect on education in the Commonwealth. I strongly urge you to retain the funding of the impact aid provisions for public education.

Thank you very much for your consideration of this matter and for the open hearing which allows members of the public to come forward and to speak relative to this issue.

Sincerely,

MARY HATWOOD FUTRELL,
President, Virginia Education Association.

Mr. HARRIS. I would make the point—I was not going to until I saw my colleague enter the room just now—as I recall, your predecessor in your position, Mr. Cornacchione, was transferred to Hawaii, resumed a similar position in Hawaii; is that not correct?

Mr. CORNACCHIONE. I think he was the executive director of our association at one time. Mr. John White, who is our present executive director, is with us today, and I am president of the association. I would like to go to Hawaii, but the cost of housing there——

[Laughter.]

Mr. HEFTEL. Yes, John Radcliffe has that position in Hawaii.

Mr. Harris. What I wanted to check on was, does your organization now give him a housing allowance when he is sent to some place like Hawaii, in order to make up for the differential?

Mr. Cornacchione. Unfortunately, he was not even able to bargain for that here.

Mr. Harris. I am sure he is doing a good job out there, too.

I think the point that the chairman has underscored is a very important point, with regard to the pressures on the school system, and the fact that we have not made progress—to put it on the line—we have not made progress on teachers' salaries as we began a few years back; it is slipping. I say this with some basis of knowledge. The first public body I ever testified before in Fairfax County was as chairman of the education committee of the Fairfax County Federation of Citizen Associations, was the school board in 1956. It was to encourage the school board to increase starting salaries for teachers from $3,600 a year to $4,000 a year.

We had testimony that year, I think from the Fairfax Taxpayers Association, that would ruin the county budget as well as the school budget. When you look over that 20-year period you realize we are starting teachers today at that sort of figure—and here again, an average figure of those in the school system is 10, 15, 20 years—they are averaging about only $10,000, I just do not know how big that "ghetto" is getting. I think we cannot subsidize our education system by this kind of salary for a teacher. I say this publicly, and I say it on the record, we have to recognize that if we are going to have the education for our children that we really want, we simply have to recognize that there has to be an adequate salary for teachers.

I feel with special strength about this, Mr. Chairman, as my daughter, who is a senior at the University of Virginia, has announced to me that she wants to go another year at UVA in order to get her MAT, which means that she plans to go into teaching after we have pursued this 5½ years of higher education. I caught myself, almost advising her to probably look at some other professions because I know what the situation is. But I caught myself because obviously I will be very proud if I have a daughter that is teaching.

Mr. Kildee. Thank you very much, Congressman Harris. Congressman Heftel.

Mr. Heftel. I just wanted to emphasize the one sentence of your statement and it is, I think, a classic. "It requires a minimum in administration and is a model for what a general aid program should be."

Thank you.

Mr. Kildee. I thank the panel very much for very good testimony and information.

We have another panel, Mr. Joseph Beradelli, president of the Alexandria Federation of Civic Associations; Ms. Toni Carney, education chairman, Fairfax Federation of Citizen Associations; Mr. John Lynch, president, Fairfax County Citizens Association, and Mr. Sylvanus Bent, president, Prince William Federation of Civic Associations.

If you have written testimony you may submit that for total inclusion in the record, if you want to summarize your statements.

PANEL CONSISTING OF JOSEPH BERADELLI, PRESIDENT, ALEXANDRIA FEDERATION OF CIVIC ASSOCIATIONS; JOHN LYNCH, PRESIDENT, FAIRFAX COUNTY CITIZENS ASSOCIATION; TONI CARNEY, FAIRFAX COUNTY FEDERATION OF CITIZENS ASSOCIATIONS; AND SYLVANUS BENT, PRESIDENT, PRINCE WILLIAM FEDERATION OF CIVIC ASSOCIATIONS

Mr. BERADELLI. Mr. Chairman and members of the subcommittee, my name is Joseph Beradelli, and I am president of the Alexandria Federation of Civic Associations.

After hearing the welcome testimony this evening, there is not much for the layman to add to the professional input to your committee. However, the federation would like to go on record with its 33 members, and approximately 20,000 people, as supporting the continuation of the impact aid program for fiscal year 1979.

According to Mr. Califano's testimony recently, a large portion of the total impact aid program has been made to Virginia jurisdictions, and this is rightfully so because of its proximity to the seat of Government there are probably more tax-exempt Federal installations in this State than in any other. In this immediate area alone, as Mr. Harris has pointed out, and several other people, we have Cameron Station, Belvoir, McNair, Myer, the Arlington Hall Station, Pentagon, Bowling and Andrews Air Force Bases, Walter Reed Medical Center, and numerous Navy and Marine installations throughout the National Capital region. With the expanded National Capital region area this now extends down to places like A. P. Hill, Petersburg, Fort Ritchie and Dietrick in Maryland, and so on.

In Alexandria we have had a gradual decline in the student population during these past few years, and we know, based on accurate reports, that this trend will probably continue in the future. This is an unfortunate situation, and it is one that has caused our school board to recommend the closure of two schools in the city beginning next September, and there is one school already in "dry dock" as a result of the Four Mile Run flooding. We do not have too rosy a picture for the school population.

The student loss which caused the closing of the two schools in the city is not attributed to a decline in population of military personnel per se. These have remained more or less static and they do not change. The unfortunate fact of the matter is that we are in a burgeoning tax area in the city. Our efforts in Richmond in the last few weeks have failed dismally towards an equalization of the real estate tax; the addition of 1 cent on the sales tax, and things of this nature, so that the vast draw upon funds which require the city to conduct its ordinary business must come from property and real estate taxes.

I have had charts prepared, which the subcommittee has, showing the gradual increase in the city budget during the years 1973 through 1978. During this period of time the city budget has had an increase of some 53.8 percent. In the same time span the public school budget has increased—out of city funds—to the tune of 48.5 percent, while impact aid funds have decreased during that period of time by 23.4 percent.

Now, in a city such as Alexandria, which depends so much on property and real estate taxes in order to exist, with the rising Metro deficits for fiscal year 1978 with a total of $3,860,000, with an approximate 22 percent increase per annum; with the impact of the social programs which we must bear the brunt of, and the other transportation deficits, we are in a bad way, and the federation feels that the continued payment of impact aid funds is vital to continue successful operation of an exemplary elementary school program. Any sharp decline in this program can only have a deleterious effect on the high quality of education which our youngsters are receiving.

The Alexandria Federation appreciates the opportunity of appearing before this subcommittee, and we strongly urge the subcommittee to look favorably upon continuance of this public program. Thank you very much.

[The complete statement of Mr. Beradelli follows:]

ALEXANDRIA FEDERATION OF CIVIC ASSOCIATIONS,
Alexandria, Va., March 6, 1978.

Hon. CARL D. PERKINS,
Chairman, Congressional Subcommittee on Elementary, Secondary, and Vocational Education, Washington, D.C.

MR. CHAIRMAN AND SUBCOMMITTEE MEMBERS: My name is Joseph H. Berardelli and I am the President of the Alexandria Federation of Civic Associations. The Federation with its 33 member groups and approximately 20,000 persons are of one mind with reference to the continuation of the Impact Aid Program.

While it is recognized that a large portion of the total impact aid payments have been made to Virginia jurisdictions there is a firm reason for the continuation of these payments for Fiscal Year 1979 and the out years. Because of its proximity to the seat of the National Government there are probably more tax exempt Federal Installations in this state than in any other. In this area alone, there are Cameron Station (in the city); Forts Belvoir, Myer and McNair; the Arlington Hall Station; the Pentagon; Andrews and Bolling Air Bases; Walter Reed Medical Center; and numerous Navy and Marine installations scattered throughout the National Capital Region.

We recognize that there has been a gradual decline in the public school enrollment during the past few years and that this is a trend that will continue for the immediate future. However, the student loss is not attributed to a decline in the population working on Federally owned tax exempt installations. These have remained more or less constant.

I have charts prepared which I will submit to the subcommittee showing a gradual increase in the city budget for the years 1973 through 1978 to the point that the city budget has an increase of 55.3%. In the same time span the schools budget has increased 48.5% while the Impact Aid funds have decreased 23.4%.

In a city such as Alexandria which depends so much on property and real estate taxes in order to exist, with the rising METRO and other transportation deficits we, in the Federation, feel the continued payment of Federal Impact Aid funds are vital to the continued successful operation of an exemplary elementary, scondary, and vocational school program. Any sharp decline in this program can only have a deleterious effect on the quality of education now being offered to our youngsters.

The Alexandria Federation of Civic Associations strongly urge the subcommittee to look favorably on this public program.

Respectfully submitted,

JOSEPH H. BERARDELLI, *President.*

Enclosure.

Fiscal year	Total city budget	Total schools budget	Schools budget in percent of total budget
1978	$82,211,153	$30,644,631	[1]36.5
1977	79,953,414	28,733,511	[1]40.8
1976	75,642,987	27,365,249	[1]40.8
1975	61,735,734	24,976,865	40.5
1974	54,349,693	22,792,490	41,9
1973	49,997,923	20,639,685	41.3

[1] Adjusted for comparability by deleting transfer payments.

Fiscal year	Total schools budget	Impact aid	Impact aid in percent of schoo lbudget
1978	$30,644,631	$775,000	[1]2.5
1977	28,733,511	742,997	2.6
1976	27,365,249	1,097,763	4.0
1975	24,976,865	1,179,767	4.7
1974	22,792,490	1,232,332	5.4
1973	20,639,685	1,012,265	4.9

[1] Budgeted estimate.

Fiscal year	Schools budget in percent of total budget	Schools budget less impact aid in percent of total budget
1978	[1]39.5	[1]38.5
1977	[1]40.8	[1]38.7
1976	[1]40.8	[1]39.2
1975	40.5	38.5
1974	44.9	39.7
1973	41.3	39.3

[1] Adjusted for comparability to deleting transfer payments.

NOTE.—Since 1973 total city budget has increased 55.3 pct; since 1973 total schools budget has increased 48.5 pct; since 1973 impact aid has decreased 23.4 pct, and, since 1973 total schools budget less impact aid has increased 56.2 pct.

Mr. KILDEE. Thank you very much, Mr. Beradelli.

Mr. LYNCH. Mr. Chairman and gentlemen, I am John Lynch, President of the Fairfax County Federation Citizens Association, representing 105 citizens associations county-wide. I would like to call upon our chairman of our Education Committee, Toni Carney, to present our position; and I would add a few remarks following that.

Ms. CARNEY. Mr. Chairman, Congressman Harris, and members of the subcommittee, the last adopted position of the membership of the Fairfax County Federation of Citizens Associations in March of 1977 on impact aid outlined our concern with the $10.6 million loss we would have faced in fiscal year 1978 and urged Congress not to cut impact aid funds entirely, but to phase out such funds gradually over a period of years.

Basically, our testimony this evening re-emphasizes that need for a gradual phase-out and urges a hard look at alternatives to impact aid. Reduced to its simplest terms. Citizens, school boards, county governments, etc, cling to Public Law 81-874 because it is aid—period. It gives us dollars for general education and thereby frees the local dollars it replaces to be applied to other county services required by federally connected families in their communities. Granted that impact aid as originally conceived is outdated. The fact still remains that bedroom communities such as Fairfax County have large numbers of military families, who while paying property taxes, do not pay State income tax and whose commissary purchases reduce local sales tax revenues.

These two problems must be addressed by Congress before they act definitively to change Public Law 874. There remains the even more complex problem of how to deal with revenues lost through nontaxable Federal property within a school district. Certainly, some compensation should be made, but how do you determine the value of Federal installations for tax purposes, and how should reimbursement be related to tax value? Such questions remain for your subcommittee to wrestle with as it conducts its hearings.

For Fairfax County, these facts remain clear:

1. Fairfax County faces a fiscal year 1979 loss of $4.9 million, which though less than the $10.6 million potential loss of a year ago is still a considerable amount to be made up by increased property taxes to maintain—and not improve—our educational program.

2. In the fiscal year 1979 Fairfax County school budget, we already have $34.9 million of Federal and State mandated, but unfunded programs.

3. For fiscal year 1979 Fairfax County homeowners will face an average property assessment increase of 8.7 percent.

4. While the Fairfax County Federation of Citizens Associations is dedicated to work toward an overall property tax reduction in fiscal year 1979, we obviously cannot expect the county to do so if they must increase their transfer to the school board to meet impact aid losses. Though property tax relief is the hue and cry across the land as disposable income is reduced, an increase can be expected by residents of our county if proposed changes in Public Law 874 are adopted.

It becomes increasingly difficult to explain to taxpayers why school operating budgets increase as school enrollments decline. These proposed changes reduce further the expected revenues in our fiscal year 1979 school budget, which is near the end of the planning and adoption process. The Federation urges this subcommittee to carefully deliberate its actions on Public Law 874 while working out solutions to legitimate problems such as sales tax revenue on commissary purchases, loss of State income tax revenue from military residents legally domiciled in another State, and some type of reimbursement for nontaxable Federal property in a school district.

Mr. LYNCH. Mr. Chairman, you referred earlier to Fairfax County and this region in fact being in serious contradiction. This position by the Federation, 105 civic associations, precedes my term in office. I do very much applaud it on a personal basis, however.

I have had occasion to see the application of Public Law 874 on a nationwide scale. I have been working with communities with major military base closures and other defense facility cutbacks, as well as rapid expansions. I realize that you must apply resources across the board nationwide to meet critical needs. Frankly, I have seen the application of this program in such current communities as Bellville, Neba., Hynesville, Ga, Poplar, Mont. There is no way, Mr. Chairman, that I can frankly and candidly say to you that we cannot absorb a reduction of the $4.9 million in our Public Law 874 contribution. The Federal involvement in this area does give us a great stimulus. While we have an 8.7 percent increase coming this year in our tax rates, we can accommodate, over a period of time—hopefully 2 or 3 years—the necessary adjustments. We hope it will not be necessary. But, if in your judgment it is necessary to apply resources differently on a nationwide scale, we would not object.

There are a couple of other quick ingredients which I would like to offer to you. The proposed 3 percent scale on a nationwide basis, if you apply it, is quite reasonable and should be considered.

Second, the proposal to apply the statewide average would prevent several examples, individual examples, on a nationwide basis where some school districts—none that I know of in this metropolitan area—are actually making a net profit on Public Law 874; so that in addition to State contributions and their Public Law 874 contributions, they need not make any other local tax payments for schools whatsoever.

And finally, Mr. Heftel was inquiring about the responsiveness of the Office of Education staff. This is a group, as I understand it, of about 50 people, managing the $700 million-plus program. We have had to call upon them in some instances of real tough public outcries on military base closure situations, and they performed admirably. It is an effective and highly responsive organization.

Mr. Chairman, in conclusion, we hope that there will not be a reduction in Public Law 874. If it is necessary to re-allocate resources on a nationwide basis, we could not object if it is phased over a 2 to 3 year period.

Mr. KILDEE. Thank you. Mr. Sylvanus Bent?

Mr. BENT. Mr. Chairman, distinguished Congressman, my fellow Americans, and my fellow Fairfax "Countians"—your statement overwhelms me. It must be a great privilege and honor to live in such a community where you can absorb that kind of loss, $12-some million. I would like to have your treasurer come down and help us. [Laughter.]

Mr. LYNCH. $4.9 million in this instance.

Mr. BENT. $4.9 million. I think you are very unique in many ways in Fairfax County, you have a greater tax base, you have a lot of industry, and that makes your situation a lot different from perhaps all the others in northern Virginia.

It is indeed an honor and privilege to come before this distinguished body. There has been a great deal of testimony on the matter before us—while there has been a difference of opinion—I am confident that the one thing we share in common is "quality education".

Quality education in a rapidly growing environment created by the Federal employment in this area would be next to impossible without Federal assistance to an impacted area such as ours. If ever an area has been impacted by Federal employment, Prince William County most certainly is one. We in our fair county have been bombarded by the Government employees coming into our county in search of a place in which to live, while working for the Federal Government in the Washington metropolitan area. I would like to say, they are not just confined to Fort Belvoir and Quantico, they are working all over the Washington, D.C. area in every agency you can imagine.

They would have preferred to live closer to their jobs, without a doubt. However, for economical reasons, and other reasons, I am sure, they moved to Prince William County. If it were not for the Federal employment, I am sure the majority of them would not be here and we would not have had the need for additional schools. Although no new Government facilities were developed in Prince William County, the Federal employment created the greatest accelerated requirement for schools this area has ever experinced. Thousands of people coming to Washington to work for Uncle Sam, military and civilian, ended up in Prince William County. Thanks to the Federal Government we became the fastest growing county in America.

Dale City is a classic example—a bedroom community. That is a phrase that has been pretty well worn out tonight, a "bedroom community". A bedroom community would suggest that it would have lots of children, and indeed, we do. [Laughter.]

We are a little bit south of the Occoquan. Fifteen years ago, what is now Dale City, was agriculture and forest land—today its population exceeds 35,000 and still counting—approximately one-third of Prince William County. Dale City and other areas in Prince William County are living testimony that impacted Federal areas cannot be based on jurisdictional guidelines as proposed by the administration.

While these thousands of people moved to Prince William County, although no significant Government facilities were added, the impact was there—just as devastating. The requirement for school facilities accelerated faster than we could build them—our tax rate jumped to previously unheard of levels and is still growing.

The school budget receives the lion's share of our county budget. We have had to constrain various educational programs in order to come up with a budget we can support. We are experiencing new demands placed upon us for additional programs and the Federal Government is seeking ways to cut off funding—quite a dilemma. In the past 5 years we have constructed three gigantic senior high schools, with another high school just about to be constructed, a host of middle and elementary schools and the need for additional schools keeps accelerating.

Our citizens are being taxed right out of their homes—if it gets much worse, the tax bills will be going to the Poor House because that is where we will all be living if the current demands keep accelerating and the Federal Government keeps looking for ways to reduce the aid they are providing.

Attempting to limit or minimize the impact of Federal employment based upon jurisdictional guidelines is as sound and logical as attempting to limit or minimize the impact of a contagious disease by confining it to jurisdictional boundaries. We, the citizens of Prince William County are looking to you to come up with the right decision.

Do not accept the argument that jurisdictional boundaries of the place of employment in relation to the place of residence is a viable factor in determining impact aid to schools.

Thank you.

Mr. KILDEE. Thank you very much, Mr. Bent. I personally have no questions of the panel. I want to express my gratitude for the candor of all the members of the panel. Congressman Harris?

Mr. HARRIS. Thank you, Mr. Chairman.

I would like to make a special welcome to Ms. Carney, who holds the same job as I held in 1957. You'd better look out.

Ms. CARNEY. I am stopping now.

Mr. HEFTEL. You'd better look out. [Laughter.]

Mr. LYNCH. I might add, Mr. Chairman, I also had a distinguished predecessor.

Mr. HARRIS. Mr. Lynch also holds the same job that I held in 1960–61. They are both distinguished citizens of Fairfax County.

The statement, though, that you make, that the elimination of providing of impact aid simply allows the money to be used for other purposes, belies some of the experience that I had on the board. It seems as though there was never money available for other purposes, it always seemed like we had to go searching for it, or to cut back for other purposes.

Do you feel that the impact aid funds have been used as a substitution for money that the county would have provided anyway?

Mr. LYNCH. No, Mr. Harris, I do not. We are merely indicating that if nationally required priorities did demand reallocation of resources, that we could accept it. I might add that we have also been very concerned and have been involved for many years in working on our own Fairfax County school and county budget priorities. So, this comment is not made apart from a total view of our county financial posture.

Mr. HARRIS. Let me say that I am empathetic to that approach. The testimony that I presented in 1957 actually was the first time the Federation recommended cuts as well as expansions in the county budget. The format that is currently used, as a matter of fact, is the format we developed back then, Jack, as I recall.

A comment was also made in your testimony of $34.9 million of Federal and State-mandated unfunded programs—that sounds like a big amount. How much of that is State, and how much is Federal?

Ms. CARNEY. I do not have the figures with me this evening. Those are costs that were drawn up in the midyear budget, but they are current.

Mr. HARRIS. Do you believe those programs were totally unfunded? I carry with me still the prejudice of having worked on that county budget. We did have an awful lot of mandated stuff from the State that they found ways not to fund after telling us to do it. I do not know how much the Federal Government is doing, but I guess it is doing quite a bit as special education and handicapped education is concerned. I suppose that is what these mandated programs are.

Ms. CARNEY. Well, I also happen to be the parent of a child who receives funds under Public Law 94–142, so I do have a special interest in that. The aid has been increased for the coming year, as you probably know fiscal year 1979.

Mr. Harris. It should be.

Ms. Carney. However, when we met with the Virginia State delegation we did ask them to please cease calling the tune if they were not prepared to pay the piper, because we are having increasing difficulty keeping track of the rhythm of some of the music that is being played.

Mr. Harris. I applaud you for that. It is necessary that they should hear it.

With regard to problems both in Alexandria and in Prince William, do you fear—and I speak, Mr. Bent, to you especially, you have made this point—do you feel it is fair for both Alexandria and Prince William to be cut back because there is enough mobility on Highway 95 for people who live in Prince William to work in Alexandria; and people who live in Alexandria to work in Prince William? Does that make sense to either one of you?

Mr. Beradelli. No, sir, not to me. If the reduction in impact aid does come about, I would venture to say that Prince William and communities farther south than that will have a decided increase in their population. We have that situation in the city right now. It is sad to say that in our uniformed services, for instance, the police and fire department, a good portion of these people cannot afford to live in the city they are working in. I shudder to think what would happen if we had a full-scale reason for getting the police out in a hurry, it would take 1½ days to get them here. [Laughter.]

I think that they would be enriched by having additional people on their tax rolls, and we would have a lot more empty homes.

Mr. Bent. My neighbor is a Fairfax County policeman, and sometimes I see more Fairfax County cars out there than I do Prince William County.

Mr. Harris. We considered at one time, and Fairfax County actually implemented a take-home car policy for the police until we discovered that that would mean there would be more police protection in Prince William. [Laughter.]

Thank you very much, Mr. Chairman.

Mr. Kildee. Congressman Heftel?

Mr. Heftel. Mr. Lynch, I just want to comment that you demonstrated the point that I had endeavored to make; namely, the group of people who administer impact aid are so small in number that they do not represent a constituency within the Department of Education that bites the back of us out of sheer numbers, the kind of emphasis that would otherwise occur if there were 3,000, rather than 50. They are very efficient, they are very responsive, but the kinds of things that would be done if 3,000 people were in the Department, are the sort of things that I think play a part in the way impact aid is cut back with no great resistance within the department itself.

Mr. Lynch. That is entirely correct, Mr. Heftel. In fact, they have been further impaired by the movement of all of their regional personnel back here to Washington, people that used to go out and visit each and every school district, must now do it from here in Washington. We had a closure of an antiballistic missile site back in Montana, and within 10 days a gentleman from Denver by the name of Ralph Rose was out there and was solving that problem. Now it is going to be far more difficult to get people out on the scene.

You are quite correct, it is the degree of responsiveness that has been there, and I hope certainly can continue.

Mr. HEFTEL. Thank you very much. Thank you, Mr. Chairman.

Mr. KILDEE. We thank the panel for your testimony.

Our next panel consists of Mr. C. A. McKinney, staff director, Non-Commissioned Officers Association; and Mr. Frank Marsh, a parent and PTA member of the Fort Belvoir Schools.

[The complete statement of Mr. McKinney follows:]

STATEMENT OF C. A. "MACK" MCKINNEY, STAFF DIRECTOR, NATIONAL CAPITAL OFFICE, NONCOMMISSIONED OFFICERS ASSOCIATION OF USA (NCOA)

Mr. Chairman, I am C. A. "Mack" McKinney, Staff Director, National Capital Office, Non Commissioned Officers Association of the USA (NCOA), and a retired Marine Corps sergeant major. On behalf of my Association and its more-than-150,000 members, I express gratitude for inviting me here this evening to present their position on the FY 1979 Federal Impact Aid Program.

Most of us here, if not all, are familiar with the program. Federal financial assistance is provided to eligible school districts in which enrollments are affected by federal activities. In past years, funds were appropriated to districts which provided free public education for children who live on federal property and/or have a parent employed on federal property or in the armed forces. Two years ago, the formula for distributing the aid was amended to terminate payments for children of federal employees who cross state lines to work on federal installations.

For FY 1979, President Carter has proposed another revision to the program. He desires to eliminate aid for children whose parents work for the federal government outside the county in which the child's school district is located. At the same time he has asked Congress for an increase of $900 million in federal spending of which almost one-half is to be granted those school district having a large concentration of children from poor families. Other proposals would: (1) provide for aiding states having compensatory education programs; (2) increase federal fundings for bilingual education; (3) provide assistance for demonstration projects in basic skills training and competency testing; and (4) tighten existing regulations relating to federal aid for poor children in nonpublic schools.

In an earlier action, the President seeks to increase by $1.2 billion an expansion of the college tuition grant program. His proposal would eliminate the limitation on student loan guarantees to families earning $40,000 or less and provide some scholarship aid to those whose families earn $23,440 or less annually.

NCOA congratulates the Chief Executive for his considerations and concern for the basic three "R's" * * * reading, 'riting and 'rithmetic, but we believe that his recommendation to cut $76 million from the Impact Aid Program ignores the fourth "R" * * * reasoning * * * which if not applied produces no value whatsoever to the recipients of the other three.

Additionally, it appears that the President is suggesting to Congress that it should "rob Peter to pay Paul." There is no other description for an action calling for a shift of funds from one group of children to another. Probably, the greatest example of this would be the proposed denial of impact aid to the District of Columbia in the amount of $1.3 million and then returning it to the same school system as aid to children of poor families.

Speaking of the poor, this Association does not consider families of federal workers earning less than $16,000 (annual income required for a family of four to live in the Washington, D.C. metropolitan area), and having school-age children, as being rich. Above all, this Association resents any inference to our military personnel being so well-to-do that their children can be sent to any public school of choice and that school district is not in need of financial assistance from the Impact Aid Fund Program.

Of more than 1.7 million enlisted military members in the U.S. Armed Forces, the average will earn a total of $9,300 for Fiscal Year 1978. This includes pay, allowances (housing and subsistence) and permanent change of station funds. Impact aid funds assist in providing quality education to their children. To take the funds and transfer part of them to a "poor children's" program of subsidy . . . then return that sum to the same school district because service members can be considered poor * * * is highly insulting.

It is a bitter pill to swallow for the men and women who serve this nation in patriotic servitude so that they and others may have the right to educate their children in our public schools.

It is really ironic. Here we have hundreds of thousands of military personnel and government employees, whose children attend schools in other countries removed from the parents' working facility, drawing less than $23,440 * * * the wage President Carter placed on those families who may be eligible for some scholastic assistance under his tuition aid program * * * and the Chief Executive wants to deny all impact aid funds to schools who educate those children.

The Impact Aid Program was designed to assist those school districts where large concentrations of federal employees and military personnel are working and/or living and whose school-age children produce a financial burden on the operation of the schools in that district. This is where the word "impact" came from * * * the effect that this concentration has on the schools. It does not imply nor has it ever implied that the aid is restricted to specific locales, and funds are denied because the parents are working in another county.

It is ridiculous in our opinion that anyone would deny a child or children educational assistance because their father was a soldier on active duty, having been transferred from Fort Belvoir to the Pentagon, did not want to move the short distance to the Arlington County because he owned his own home outside the Belvoir reservation. What might be a greater inequity is to deny funds for the children of a sailor who is transferred to sea duty and his new home port is in a county which is not that of his residence. Why should he have to move * * * when most of his time will be spent at sea * * * to insure that his children receive their rightful share of impact aid funds.

Admittedly, this great nation should assist those who are less fortunate than most, but does it have to do it at the expense of cutting back aid to others, many of whom are not really any more "fortunate" than the "less fortunate"?

$76 million dollars in just a bit more than 1 per cent of the President's requested education budget and less than 10 per cent of the total amount of extra funds he seeks to beef up the overall FY 1979 program. We believe it vitally important that the $76 million be reprogrammed back into the Impact Aid Program * * * not only from a standpoint of continuing quality education for the children of dedicated military personnel and federal employees, but to prevent any reoccurrence of the near-disasterous events of 1973.

In that year, then President Richard Nixon withheld certain funds earmarked for impact aid. At Ayer, MA, for example, all military dependent students, except graduating seniors, were removed from the schools and denied credits for educational attainments for the 1972–73 school year. A similar event occurred within the school district serving Ellsworth AFB, South Dakota.

Although this Association does not condone such actions by any school district or school official, it cannot on the otherhand blame either one for first doing for their own before considering (what might be termed as) "outsiders." School officials are already faced with harsh budget limitations and people are fed up with paying higher local and state taxes for operating public schools. People who have raised their children and now live on fixed incomes do not want an increase in property taxes for the purpose of educating other children.

So, the easy, painless way of getting the job done * * * a job that needs to be done * * * is to have the federal government provide the funds through congressional appropriations.

Mr. Chairman, we urge the panel to critically review the President's request. In doing so we believe the subcommittee will find that of the six proposals mentioned at the beginning of this statement, the continuation of fully funding the Impact Aid Program is a major goal.

If those funds are not restored, affected schools will have to cut back their budgets and, perhaps jeopardize the quality of education now received by many of our nation's children * * * not only those of military personnel and of federal workers, but those of other American citizens as well.

Thank you, Mr. Chairman, for your kind attention and the opportunity to share with you the views of my Association. If there are any questions, I will do my best to answer them at this time.

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PANEL CONSISTING OF C. A. McKINNEY, STAFF DIRECTOR, NON-COMMISSIONED OFFICERS ASSOCIATION AND FRANK MARSH, PARENT AND PTA MEMBER, FORT BELVOIR SCHOOLS

Mr. McKINNEY. I am C. A. "Mack" McKinney, staff director of the National Capital Office of the Non-Commissioned Officers Association of the United States of America, and I am a retired Marine Corps sergeant major.

On behalf of my association and its more than 150,000 members, of which around 15,000 are located in the Virginia-Maryland and D.C. area, I express my gratitude for inviting me here this evening to present their position on Federal impact aid.

As the chairman suggested, I will submit my prepared statement for the record and confine my remarks to about 5 minutes.

I did want, first of all, to thank the distinguished panel and Congressman Harris for supporting our past position over the years in regards to this program, and also I would like to compliment this panel for the long hours they have remained here this evening to give everyone a chance to testify; and hopefully I can come back next year and thank the panel again, this time for what they have done.

Most of us here, if not all, are familiar with the program. Federal financial assistance is provided to eligible school districts in which enrollments are affected by Federal or military employees or activities. For fiscal year 1979 President Carter has proposed the revision to that program. He desires to, one, eliminate $76 million in aid for children whose parents work for the Federal Government outside the county in which the child's school district is located. At the same time he has asked Congress for an increase of $900 million in Federal spending, of which almost one-half is to be granted those school districts having a large concentration of children from poor families.

Second, to provide for aiding States having compensatory education programs.

Three, to increase Federal funding for bilingual education.

Four, to provide assistance for demonstration projects and basic skills training, and competency testing; and finally, tighten existing regulations relating to Federal aid for poor children in nonpublic schools.

In an earlier action the President seeks to increase by $1.2 billion an expansion of the college tuition grant program. His proposal would eliminate the limitation on student loan guarantees to families earning $40,000 or less and provide some scholarship aid to those students whose families earn $23,440 or less.

It appears to us that the President is suggesting to Congress that we should "Rob Peter to pay Paul." Probably the greatest example of this would be the proposed denial of impact aid to the District of Columbia in the amount of $1.3 million, and then returning it to them for about that amount in the same school system to aid the children of poor families.

Speaking of the poor, this association does not consider families of Federal workers earning less than $16,000 as being rich. On the other hand, this association resents the inference to our military personnel being so well to do that their children can be sent to any public school of choice, and that school district is not in need of financial assistance from the impact aid fund program.

The average enlisted military member will earn less than $9,300 in fiscal year 1978, including his basic pay, allowances, and permanent change of station funds. There are over 1.7 million enlisted service members in the Armed Forces. Here in the metropolitan area the armed services have more than 48,000 enlisted members assigned to military installation; and of that number more than 14,000 live off the military installations.

It is really ironic, here we have hundreds of thousands of military personnel, government employees, whose children attend school in other counties, removed from the parents' working facilities, drawing less than $23,440, the wage President Carter placed on those families who may be eligible for some scholastic assistance under his tuition aid program, and the Chief Executive wants to deny all impact aid funds to schools who educate those children. It is ridiculous, in our opinion, that anyone would deny a child or children educational assistance because their father is a soldier on active duty, having been transferred from Fort Belvoir to the Pentagon, and does not want to move the short distance to Arlington County because he owns his own home outside the Belvoir Reservation. What might be a greater inequity is to deny funds for the children of the sailor who is transferred to sea duty, and his new home quarters are in a county which is not that of his residence. Why should he have to move when most of his time will be spent at sea, to insure that his children will receive their rightful share of impact aid funds?

And $76 million is just a bit more than 1 percent of the President's requested education budget. We believe it vitally important that that money be reprogrammed back into the impact aid program—not only from the standpoint of continuing quality education for the children of dedicated military personnel and Federal employees, but to prevent any reoccurrence of the near-disastrous events of 1973.

In that year, then President Richard Nixon withheld certain funds earmarked for impact aid. At Ayer, Mass., for example, all military dependent students, except graduating seniors, were removed from the schools and denied credits for educational attainments for the 1972–73 school year. A similar event occurred within the school district serving Ellsworth Air Force Base in South Dakota. There were other incidents which I do not have at this time.

Mr. Chairman, we urge the panel to critically review the President's request. In doing so, we believe the subcommittee will find that of the six proposals mentioned at the beginning of my statement, the continuation of fully funding the impact aid program is a major goal.

Thank you very much.

Mr. KILDEE. Thank you, Mr. McKinney. Mr. Frank Marsh?

Mr. MARSH. Mr. Chairman and members of the subcommittee, my name is Francis J. Marsh. I am a member of the United States Air Force stationed at and residing on Fort Belvoir, Va. I am also the first assistant director of the Northern Virginia District PTA and a member of the Virginia PTA Board of Managers. But most importantly I am a concerned parent. It is as a concerned parent that I speak to you this evening.

Almost every day we read in the newspaper the fiscal problems that school districts are facing across the Nation. Federal and State mandated programs are increasing, while State legislatures and the Federal Government consistently do not provide adequate funds necessary to carry out these programs. In many areas of the country taxpayers with no children in school are beginning to outnumber those who are still trying to educate theirs. Bond referendums, local tax increases, and other fiscal matters brought before the voters for educational purposes are meeting stiff opposition.

By law my children are entitled to a free public education, but they are also entitled to a quality education—and quality costs money. Most school districts are probably at or near the limit of their own ability to adequately fund the mandated and necessary education programs for their children.

Now enters the Federal Government again, only this time telling 4,000 school districts that they not only have to comply with Public Law 94–142 on education for the handicapped, but with the expiration of Public Law 81–874 and 81–815 this year, face a loss of millions of dollars in Federal impact aid under the administration's proposals of February 28, 1978.

It is well known that Federal property, whether it be military or other attracts not just the Federal worker, but other businesses as well to support the Federal consumer. All this puts a financial strain on the surrounding communities who must educate all these new children. But no tax revenues are realized from either the Federal property or in most cases from local income tax because so many Federal workers are not domiciliary residents of the areas they work and live in. For the past 28 years impact aid has greatly assisted many school districts in this country with their educational obligations. In my opinion the administration's proposed changes to impact aid, Public Law 81–874, would soon become impact disaster for thousands of federally-connected children.

Is it really logical to expect thousands of middle and low-income Federal employees working at the Pentagon, and elsewhere to live in Arlington County where the average price of housing is totally out of reach? But yet, the administration proposes to cut out all funding for civilian out-of-county "B" pupils. Thus saying to those workers, "We, the government, want your expertise, but because you cannot afford to live in this county the government also cannot afford to provide assistance to the school district educating your children."

In 1974, the Congress cut funding for civilian out-of-State pupils. This year the administration is trying not only to cut funding for civilian out-of-county pupils, but impose a 3-percent absorption provision, and revise the hold-harmless provision such that even more funds would be lost to districts over a very short period of time. What does all this mean to me? It means increases in pupil-teacher ratios; larger class size and less individualized attention; loss of program availability; tuition charges for certain programs; possible closure of schools with a high concentration of federally connected pupils; redistributions of these pupils outside their traditional community, and further hostility towards the Federal presence.

HEW Secretary Califano's proposal to study ways to further reduce the impact aid program leads me to believe that the administration feels that federally-connected children are second rate, are not entitled to a free quality education. Just how much of a burden can the local governments take before saying to the federally-connected parents, "If you cannot pay taxes on that Federal property, and we cannot receive adequate impact aid, then we cannot educate your children"?

I sincerely urge you to give serious consideration to the true ability of local school districts, not just those in northern Virginia, but elsewhere, to absorb what the administration seems to think they can so easily absorb. The present law has worked well for many years, do not change it simply because the administration does not like it. If anything, improve the authorizations, improve the funding, and give credit to the school districts who are straining to the limits to produce the quality leadership of tomorrow.

Thank you.

Mr. KILDEE. Thank you very much, Mr. Marsh. I have no questions myself. Congressman Harris?

Mr. HARRIS. Thank you, Mr. Chairman. I would like to express special thanks to both of you, who gave us a very special viewpoint with regard to the program.

In regard to what has happened in the past, I found your comments on page 4 with respect to some of the things that happened in the 1972–73 school year indeed very revealing. In fact, the noncommissioned officer especially is transferred from district to district, and has an especially difficult time, and hopes to find a decent school to send his kids to.

This program, would you not agree, has been a special benefit to them, as far as perhaps being a little bit more welcome in some of these school districts than they would have otherwise?

Mr. MCKINNEY. I believe so, Mr. Harris because the non-commissioned officers that I represent, as well as the petty officers, want to see their children grow up with quality education, something that they in most cases were denied, simply because they enlisted at an early age.

I think if we take away those funds, little by little we are gnawing away at the quality education that would be provided for their children—and in my way of thinking they certainly deserve it.

Mr. HARRIS. I noticed, Mr. Marsh, that you attack the 3-percent absorption provision of the proposal, also. Do you not feel that there should be some absorption factor in the formula?

Mr. MARSH. Sir, I would oppose the absorption formula because it would still tend to reduce funds from a local school district, any funds being reduced from a local school district are going to impact on the programs and things the children are going to receive. On that basis I would oppose any absorption.

Mr. HARRIS. I think I heard you say that all these formula changes are ways to reduce the money, and you are against any method for reducing the money; is that your testimony?

Mr. MARSH. Yes, sir.

Mr. HARRIS. Thank you, Mr. Chairman.

Mr. KILDEE. Congressman Heftel?

Mr. HEFTEL. I think I heard what the gentleman said, and I appreciate your comments and observations. Thank you for your patience.

Mr. KILDEE. Thank you very much, gentlemen.

Our next witness is Mr. John F. Herrity, chairman of the Fairfax County Board of Supervisors.

STATEMENT OF JOHN F. HERRITY, CHAIRMAN, FAIRFAX COUNTY BOARD OF SUPERVISORS

Mr. HERRITY. Good evening, Mr. Chairman. I am speaking on behalf of the Fairfax County Board of Supervisors, and I would certainly like to thank you for giving us an opportunity to present our position on Secretary Califano's proposed revision to the impact aid program. Fairfax County, Va., would be affected seriously by the proposed revisions.

This evening most of the testimony is being offered by educators and those interested in education. These individuals are very familiar with the complex impact aid formulas and the programs they support. We defer to them on the details of these matters. However, the governing body of Fairfax County and the governing bodies of other Virginia jurisdictions have a special and appropriate interest in impact aid. We would like to begin by outlining our three general concerns on this matter.

First: Throughout the Nation most local school boards are controlled by a board which has been elected, has taxing powers, or has both. In Virginia, the public school boards are not elected and they do not have taxing power. Throughout the Commonwealth, the schools are controlled by an appointed body, and local school revenues are provided by the elected governing body from the general tax levy. Clearly, any major revision in school revenues is of great concern to local governing bodies. Our staff has calculated that Fairfax County might face a reduction of $4.92 million in school aid from the amount projected under present law. This is a sizeable reduction which could affect the program level of the county's public schools.

Second: We now are ready to begin our budget cycle and the county managers' advertised fiscal plan for fiscal 1979 will be released next week. The board then will have eight weeks in which to consider the document, to hold public hearings, to amend it, to adopt it, and to set the necessary tax rates.

State law and the administrative requirements of preparing tax notices make May 15 the latest practical date for adopting our fiscal year 1979 budget and appropriation ordinance. We cannot easily respond to major reductions in Federal funding which may come after the budget is adopted and the tax rate set. We can plan only for a surplus for such contingencies, or we can reduce spending for capital construction or personnel after unforeseen reductions are imposed. These alternatives are not attractive.

Finally, we are concerned by the administration's apparent disinterest in providing a compensatory program for the impact of federally-connected families. It is easy to question why Fairfax County with all its resources is entitled to impact aid projected at more than $12 million in fiscal 1979. However, we estimate that it will cost approximately $2,000 per pupil for education in fiscal 1979. Since we now have 26,400 federally-connected children, we expect total per pupil costs for these children to exceed $52 million next year. While these families do pay some taxes, there are many who can avoid some or all of our local taxes under the authority of the Soldiers' and Sailors' Relief Act. Additionally, the Federal Government has property within the county valued at more than $500 million.

If this property were taxable, the county would receive an estimated $8.9 million in real property taxes from the Federal Government in fiscal 1979. Finally, we should add that there is no Federal impact aid to compensate for public services we provide in areas other than education.

In his February 28 remarks, Secretary Califano acknowledged the high costs of urban areas; yet, he appeared to want to reduce compensatory payments. Fairfax County offers a broad range of quality governmental services—these services are expensive. We think it is appropriate to have the Federal Government provide compensation for its own impact. Such compensation could come either through this program, or by Federal payment in lieu of real property taxes, and in lieu of federally-connected individuals' taxes which we cannot now collect.

In regard to the administration's February 28 proposal, we would like to offer several specific comments. We approve of advance funding notification and of elimination of the tier system. Advance notification will provide for stable fiscal planning, and the tier system seems needlessly complex. However, with the exception of the "hold harmless" provision, we oppose the other amendments. Elimination of "B" out-of-county children would reduce our estimated aid by $1.6 million, and the administration's rationale for this change evaporates when an entire multijurisdiction region is considered. Imposing an absorption factor would reduce our entitlement by $1 million, and we find its justification faulty.

It is analogous to an insurance company ignoring a small claim only on the grounds that most people are occasionally impacted by small adversities. The justification or reducing the contribution rate to 1-half the State average harms urban impact areas. Proposing such a change neglects the high cost of urban areas and the State's educational expenditure patterns. The comparable district method should be retained. In short, we find no compelling reason to change the 1974 amendments to impact aid.

In closing, we would like to emphasize our strong budgetary reasons to oppose any change to impact aid in fiscal 1979. A change on short notice would present a serious hardship for local governments. Any changes to this program should not be effective prior to fiscal 1980. Further, we find no strong rationale to justify the administration's proposal to amend the present legislation.

We urge you to reject this proposal and re-enact impact aid with only one amendment to require advance notification of entitlement. However, the board of supervisors would support an alternative proposal for the Federal Government to pay localities an amount equal to those taxes we cannot now collect.

Mr. **Kildee.** Thank you very much, Mr. Herrity. Congressman Harris?

Mr. **Harris.** Thank you, Mr. Herrity, for your testimony, and for, I think, an analysis that both you and I are familiar with, of sweating impact aid each year. I remember the 1st year we set up a $2 million contingency fund in case we did not get what we were supposed to get; in case they did not do what they were supposed to do at the proper time.

I note on page 3 of your testimony that you say, "With the exception of the 'hold harmless' provision you oppose the other amendments." Do you in fact support the hold harmless provision?

Mr. **Herrity.** Actually, we think that the advance notification is certainly sufficient, as far as we are concerned, in terms of the accountability to handle the situation.

Mr. **Harris.** But you do support the hold harmless provision.

Mr. **Herrity.** Yes; we certainly do not oppose that.

Mr. **Harris.** Thank you, Mr. Chairman.

Mr. **Kildee.** Congressman Heftel?

Mr. **Heftel.** I have no questions. Thank you for your testimony. I think you have well articulated the point that we need advance notice for a program of this dimension, and I hope that some people hear us.

Mr. **Herrity.** I hope so, too. I might suggest here that our board in April has gone on record in trying to come up with something where you would take assessed value, or revenue lost through the Soldiers' and Sailors' Relief Act, and estimate that as a possible formula for future impact aid.

Mr. **Heftel.** That would make impact aid very reasonable.

Mr. **Herrity.** Yes. Thank you.

Mr. **Kildee.** Thank you very much, Mr. Herrity.

Mr. **Harris.** Mr. Chairman, may I ask unanimous consent to submit for the record the statement of Mayor Nathaniel F. Young of the city of Fairfax? He was here earlier this evening but had to leave. So, I would like to submit his statement for the record at this point.

Mr. **Kildee.** It is so ordered, without objection.

Mr. **Harris.** Also a statement of the League of Women Voters of the Fairfax area.

Mr. **Kildee.** It is so ordered, without objection.

Our next witness is Ms. Cornelia Suhler, chairperson, Education Task Force, Northern Virginia Chapter of National Organization for Women.

[The statements referred to above follow.]

PRESENTATION BY MAYOR NATHANIEL F. YOUNG, FAIRFAX CITY, VA., ON IMPACT AID

An article in the March 5 *Washington Star* laid it on the line regarding the Administration's proposal to reform Impact School Aid by stating that Secretary of Health, Education and Welfare Joseph A. Califano's proposals took "direct potshots at Washington suburbs by targeting them as being undeserving of Federal School Aid." This article further stated that "Impact Aid is unpopular with the Carter administration because most of the money goes to wealthy school districts, rather than to those the executive branch thinks Federal education dollars should go to the poor, the handicapped, and those with special need."

The aforementioned philosophical bent of the Administration misses the basic point that the purpose of Impact Aid is to compensate the school districts for the added school costs when a Federal installation in the area increases school enrollment and puts added demands on local revenue.

It should be obvious to everyone that the Federal presence, and the resulting impact on local governments, is more overwhelming now than it was in 1950 when Congress passed the current Impact Aid legislation.

Fairfax City is a small jurisdiction of just six square miles, 22,000 people, 4,200 students (of which approximately 40% or 1,630 are federal dependents in one sense or another). We receive $300,000 yearly in Impact Aid. Withdrawal of this Impact Aid would have very serious consequences for Fairfax City for the following reasons:

(a) While there are only seven small Federal activities with 148 employees within the City of Fairfax, we are also county governmental and higher education centers, all of which significantly reduces our tax base.

(b) We are currently contractually tied into a larger jurisdiction, Fairfax County, for school programs and pay a share of their extensive costs Countywide. In a manner of speaking, we either have the best or worst of all possible worlds.

(c) We have a relatively large number of military personnel residing in the City (800 to 1,000 of the 7,000+ Person work force). These individuals for the most part claim other jurisdictions as their home of record and the City loses $80,000 to $100,000 yearly in taxes and license fees. While this is small change for Alexandria, Arlington and Fairfax county, with a total budget of $16 million, to the City of Fairfax it is significant.

For the most part these individuals reside in the City and are employed in the surrounding counties and the District of Columbia. Actions to remove the children of these military families from Impact Aid jurisdictional credits should not be taken until Federal laws are changed so that these individuals pay proper taxes in the areas in which they reside, or alternatively until they can offer proof that they pay equal taxes in other localities/states.

It is my understanding that the Advisory Commission on Intergovernmental Relations has studied this issue extensively and really has gotten nowhere. I would commend these studies to you for consideration.

In summary, I agree with the Carter administration that the Washington suburbs should be targeted. However, not for the severe reduction or elimination of Impact Aid, but targeted to retain the aid since they have a unique set of factors which requires them to provide education for the dependents of federal employees.

LEAGUE OF WOMEN VOTERS OF THE FAIRFAX AREA,
Annandale, Va., March 6, 1978.

Letter for the record of the public hearing on the reauthorization of the impact aid program before the House Subcommittee on Elementary, Secondary and Vocational Education.

DEAR MR. PERKINS AND MEMBERS OF THE COMMITTEE: I am writing this letter today to express some of the concerns of the members of the League of Women Voters of the Fairfax Area that relate to the current debate over Impact Aid to school districts.

We are pleased to note that a public hearing is being held in Northern Virginia, an area that is often a target of Impact Aid reform measures. We trust that the testimony given will prove helpful in future deliberations as they relate to the urban/suburban areas that are affected by the presence of major federal installations and programs. The League feels it to be beneficial to provide a forum where all sides of the issue may be aired and debated by both elected representatives and citizens.

However, we are very concerned about the timing of the proposed reform of the Impact Aid program. The Fairfax League takes an active part in the budget process in Fairfax County—both at the school, and later the county levels. We wish to emphasize for you the difficulties that uncertain levels of federal funding can have on final school budget preparation and on the later budget approval by our elected Board of Supervisors. The perceived continual threat of loss of Impact Aid dollars at local budget time is an annual occurrence we would like to see eliminated. Adjustments and reforms may indeed be necessary, and if that is deemed to be the case, we would request that the timing established be such that it causes minimal disruption during the local budget cycle. We would hope that the "annual spring trip" as Mr. Califano called it, might be so staged as to *not* coincide with the time set aside by most impacted jurisdictions for local school budget approval. The approval process becomes that much more difficult when the level of federal aid to be provided is unknown.

Again, may I commend you for providing the opportunity to the Northern Virginia communities to bring their particular concerns to you.

Sincerely,

PAT WATT, *President.*

STATEMENT OF CORNELIA SUHLER, CHAIRPERSON, EDUCATION TASK FORCE, NORTHERN VIRGINIA CHAPTER OF NATIONAL ORGANIZATION FOR WOMEN

Ms. SUHLER. Mr. Chairman, members of the committee. I appreciate this opportunity to appear. Since it is this late and I am the last speaker, I am going to summarize very briefly what I have to say.

I have several pages here in which I note that one of the things which we do not have is a definition of the Federal Government's proper role in public education. But there does seem to be a trend, going back to the Civil Rights Act of 1960, which indicates that the Federal Government perceives itself as having a role of ensuring equal educational opportunities for the citizens of this country.

I must say, viewed against that, Mr. Califano's proposals seems totally irrational, they do not promote equity; they have no basis of any kind of rationale that I can determine when I read them—they almost literally curled my hair. Already we have the out-of-State "B's" gone, and we are now going to eliminate the out-of-county "B's". Apparently that is based on some presumption that Federal installations are the same across the land, and so are school districts. As mentioned, in Mr. Heftel's home State you cannot get out of State—you cannot get out of the district. In other words, so far as Hawaii is concerned, eliminating out-of-county "B's", eliminating out-of-state "B's" has no effect at all. You can hardly turn around here without getting out of State or out of county. This is not equitable. The very notion the Congress of the United States should make decisions about how they are going to spend $800 million, or $800 million minus $76 million of Mr. Califano has his way, in a vacuum, literally in a vacuum, I find absolutely appalling.

When we discussed that there was a very strong consensus that we might make certain recommendations. I will pick up at the very end of my statement and say, there is no logic in this situation, but it does reflect the "normal" piecemeal action by the Federal Government. When we are talking about such disparate fields as social services and mass transit—which is what I have been talking about before—this sort of thing is perhaps unavoidable. By this I mean that human beings have their limitations and it is unrealistic to expect the Members of Congress, however brilliant they may be, to be able to consider each and every piece of legislation in terms of every other piece of legislation past, present, and proposed.

However, we do believe that this kind of fragmentation of policy can and should be avoided within a given area of congressional activity, such as education. The Education Task Force of Northern Virginia Chapter of National Organization for Women therefore makes the following recommendation to this committee and by extension to the Congress: This committee should direct appropriate personnel to study the real impact of the Federal presence on local systems, taking into account all factors involved, not just the number of bodies and their relationship to property taxes and school districtwise.

The study should include an analysis of the actual effect of the present impact aid program in terms of the educational programs needed to provide equal educational opportunities for our children, and not just in terms of dollars and cents.

Second: From this study guidelines should be developed which will enable the Congress to differentiate on a rational basis between major categories of federally impacted areas, for example the National Capital area, Indian reservations, military installations which have varying characteristics—there is a difference between Ellsberg Air Force Base and the Brooklyn Navy Yard in terms of impact on the community.

Third: Congress should make use of the above study and its resultant guidelines to arrive at a rationally determined approach to the problem of not penalizing children who live in federally impacted areas.

Our recommendations are intended to suggest that it is high time the subject be addressed as an educational issue. It should not be dealt with as a budget item which happens to have something to do with school systems and their financial problems. Rather, it should be treated as an educational problem directly related to the instructional needs of our children.

I want to add that we oppose the absorption factor on the grounds that it is inequitable—we are talking about over 2,000 children in the Fairfax County Public Schools; somewhere else you might be talking about 20. We are talking about 100-odd classrooms as opposed to 1 classroom.

Mr. HARRIS. May I interrupt you at that point because what you said just made something dawn on me for a minute, Mr. Chairman. What you are saying by that 3 percent absorption factor is, the heavier the impact, the more the absorption, and the less the aid.

Ms. SUHLER. Yes.

Mr. HARRIS. By using the 3-percent figure, it appears to me, the heavier the impact the more the cutback will be of the aid you will get.

Ms. SUHLER. That is correct. Also, with the 3-percent absorption the Federal Government is saying, "Well, up to a certain point we do not care what happens to those kids," and I do not think that is right. I think there is a morality involved in this. I do not think the Federal Government has the right to say, "We do not care about the first 20, or the first 2,000, or the first however many", these kids are entitled to the same thing as kids who fall in the 4th-grade impact.

I do know if the superintendent or any member of his staff ever presented to the school board an agenda item with a rationale like Mr. Califano's rationale, I think the school board would probably call in the nearest psychiatrist because it is not a rationale.

Thank you very much.

Mr. KILDEE. Thank you very much, Ms. Suhler. Congressman Harris.

Mr. HARRIS. I just have one question, and I appreciate your statement very much, and I appreciate the patience you have shown in sticking out the hearing.

You indicated that you disagreed with Secretary Califano's proposals. I wondered if that was just on impact aid, or if it was across the board.

Ms. SUHLER. No, I am not familiar in detail, only what I have read in the newspaper, of the education program. I did note that there was a proposed increase of 15 percent of money to Federal education, Federal funding of education. Of course, this is perfectly meaningless if they are going to simply give it to you on the one hand and take it back over here—that is not logical.

Mr. HARRIS. Thank you very much.

Mr. KILDEE. Congressman Heftel.

Mr. HEFTEL. Thank you for your testimony and your patience. I have no questions.

Mr. KILDEE. Thank you very much. You were going to be last, but the Chair will exercise—and I will only do this once—exercise the prerogative of adding one more witness, Fran Pearce, cochairman of the Interbranch Education Committee of Fairfax County, American Association of University Women.

STATEMENT OF FRAN PEARCE, COCHAIRMAN, INTERBRANCH EDUCATION COMMITTEE FAIRFAX COUNTY, AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

Ms. PEARCE. Thank you for letting me get on the end of the agenda, I did not know it was going to be quite so busy; when I called in this morning I found out how crowded it was.

As mentioned, I am cochairman of the education committee in Fairfax County, representing five branches of AAUW, located in the McLean-Falls Church area, Mount Vernon residents, Springfield, and Annandale.

Earlier this year we had occasion to write to our national legislative committee of AAUW with regard to impact aid, and I would just like to mention, when we got the answer back just this January, they said they would be interested in any statement we did make on impact aid because there are many branches and State commissions of AAUW around the country facing the same problems.

Our organization is concerned with quality education, and with forward funding of public educational programs, and we have a long history of support for Federal aid to education. Therefore, our local branches here think this is a very important issue. At this time we urge the retention of the existing impact aid formula for the following reasons:

One: Any reduction in this formula could seriously affect the general education program as provided for in the Fairfax County budget. We use zero-based budgeting, and the current budget is based on anticipated revenues from State, Federal, and local sources. It was approved by the school board on February 9 and, as mentioned, is currently under review by our board of supervisors. And reduction in the Federal part of the revenue would make it contingent upon the supervisors' willingness and ability to make up for this reduction, which will be about $4,900,000.

Two: A large part of the funds that are provided by the Federal Government for education are earmarked for specific programs, such as title I, for special education, and while these funds are considered a part of our overall budget, it actually provides for a small percentage of the students while on the other hand, as has been mentioned, impact aid is one of the few sources of revenue that does provide assistance to the school system for whatever programs are needed—teachers' salaries, textbooks, supplies, and so forth. In this connection, as to your question a moment ago, the administration in its February 28 revised education budget, while it recognized the need for increased funding, is very specific in directing where the funds will go, and what programs they will be used for. This leaves no opportunity for local flexibility, which impact aid funds do provide.

Third: It has been mentioned that the 3–B categories, civilian out-of-county, we feel we could argue about how much revenue would be available if we could tax the Federal property in the county the students live in, but I feel this is a moot point. It is because of such Government installations that counties like Fairfax have become "bedroom communities," and we should recognize the Federal obligation to deal with increased school enrollment and/or cost because of the Federal activity.

And fourth, as has also been mentioned, the military families that often do not claim the State as their legal residence, and therefore reduce the amount of State tax available to localities for education as well as for other needs.

And finally, the 3 percent absorption rate, based on a national average of federally connected students in school districts, and of a drastic change in the way of computing the local contribution rate both seem unwarranted to us, and especially when you consider the fact that the full funding of the impact aid program has not existed since the late 1960's.

These funds do assist Fairfax County and other jurisdictions in meeting the rising cost of education. For example, to meet the increased personnel costs, and these costs make up almost 87 percent of our school budget; or in reducing class size, about $1.5 million to reduce the class size by one or two in the elementary classes in our county. In addition, not all the federally mandated programs are completely funded, some are not funded at all, and this means that these programs are required, and yet, we have to absorb the costs and cannot consider costs in these areas.

So, in summary, we feel while impact aid may not be the best method to fund educational programs, at this time it should be continued with its hold-harmless clause in order to meet the needs of school districts like Fairfax County, where the budget has already been prepared, based upon anticipated Federal revenue, and where the Federal presence does dictate some kind of Federal payment in lieu of the property tax and the military employee payment of State income tax that is reduced. We would recommend the following:

A study should be commissioned to recommend other methods for providing such funding to localities.

Any recommendation for change in the impact aid formula should be made with sufficient time to give local school systems a chance to react and make recommendations, and the complexity of local issues should be taken into account—cost of living has been mentioned. Also the total value of real property that can be taxed to fund the cost of each student's education; and the true tax rate at which a locality is taxing itself in support of education, based on the value of real property, and number of students educated, and the existing tax rate.

There should be no cutback of funds after school districts have prepared their budgets. And strong consideration should be given to advance or forward funding of impact aid funds—I believe this is done through title I.

So, as long as we continue to have Federal installations in certain areas, and as long as Federal employees continue to settle in neighboring communities, the Federal Government will need to support local education through some program such as impact aid. In recognizing these factors, we suggest that this perennial attack on impact aid be abandoned, especially with the loss of the out-of-State civilian "B" category 2 years ago, and that alternatives be sought, and we all get back to the business of educating our children.

Thank you.

[The complete statement of Ms. Pearce follows:]

Statement on the Impact Aid Program—Pub. L. 81-874—Interbranch Education Committee, Fairfax County, Va., of the American Association of University Women

As an organization concerned with education, the American Association of University Women (AAUW) strongly supports adequate forward funding of public education programs for quality education, and has a long history of support for federal aid to education.[1] Therefore, our local AAUW branches in Fairfax County, Virginia, consider the question of federal impact aid to education to be an important issue. At this time we urge the retention of the *existing* impact aid formula for the following reasons:

1. Any reduction in the present impact aid formula could seriously effect the general education program as provided for in the Fairfax County Public School FY'79 budget. Zero-based budgeting is used in the preparation of the budget, and it is based on anticipated revenue from state, federal and local sources.

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[1] The American Association of University Women, "Legislative Program and Resolutions 1977-79. June 1977; "Legislative History and Policy Notes, 1975 p. 15.

Approved by the Fairfax County School Board on February 9, 1978, the budget is currently under review by the Fairfax County Board of Supervisors for funding. A reduction in the federal revenue portion now would make the full funding of the school budget as advertised contingent upon the Board of Supervisors' willingness and ability to make up for this unexpected reduction (estimated to be $4,924,500)[3] by an increased contribution from county general funds.

2. A large portion of the funds which are provided by the federal government for education are earmarked for specific programs, such as Title I for students from low-income families, funds for special education students (P.L. 94–142) and funds for bilingual education (in a few designated geographical areas). While such funding must be considered as part of a school system's overall revenue, it actually provides aid for only a small percentage of the students. On the other hand, impact aid is one of the few such sources of revenue that provides assistance to a school system for whatever programs are needed (teachers' salaries and benefits, textbooks and supplies, program improvement, etc.). In this connection, we note that the Administration's February 28, 1978 revised education budget, while recognizing the need for increased funding, is very specific in directing where the funds will go and for what programs, thus leaving little opportunity for the local flexibility which impact aid funds provide.

3. Impact aid in category 3"B" currently provides funding for those students whose parents work on federal property "out-of-county." We recognize the fact that, if, instead of receiving impact aid, counties were permitted to tax federal property, the counties actually housing these students would not always benefit proportionately. However, we consider this to be a moot point. It is because of such government installations that counties like Fairfax have become "bedroom communities." A federal obligation must be recognized when school enrollment and/or costs have increased because of nearby federal activity—in whatever county of the region in question the activity may be located, and we therefore oppose the elimination of the out-of-county civilian "B" pupil category.

4. Furthermore, the effect of housing military families in a county creates another problem. Many military families do not claim the state in which they reside as their legal residence. As a result, they pay no state income tax, and thereby reduce the amount of funding available to localities from the state for education, as well as for other needs.

5. The Administration's proposals of a 3% absorption rate (based on a national statistical average of federally-connected students in school districts) and of a drastic change in the method of computing the local contribution rate (LCR) do not appear warranted, especially when considered with the fact that full funding of the impact aid program[4] has not existed since the late 1960's.

Impact aid funds definitely assist Fairfax County and other jurisdictions in meeting the rising cost of education. Therefore a possible loss of nearly $5,000,000 will effect the school system's ability to meet current demands. For example, impact aid funds can help meet increased personnel costs (personnel costs comprise 86.7% of the school budget); can assist in reducing class sizes; and can provide additional library aides and materials to meet the program needs of the students. In addition, not all federally mandated programs receive sufficient federal funding (special education) or even any specific federal funding (Title IX improvements to athletic facilities, extension of unemployment coverage of school employees, special educational programs for language-minority students, etc.). Since such requirements are mandated, school systems must absorb the cost and can not consider cuts in these areas. Thus, if impact aid funds are cut, we can envision problems in maintaining the level of our general education program.

In summary, it is our position that while impact aid may not be the best method to fund educational programs, at this time it should be continued (with its hold harmless clause) in order to meet the needs of school districts such as Fairfax County, whose FY'79 school budget has already been prepared, based upon anticipated federal revenue, and where the federal presence does dictate some kind of federal payment in lieu of property tax, and military employee payment of state income tax, that are lost to the area. We would, however, suggest the following:

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[3] Fairfax County Public Schools: "Preliminary Analysis of Administration's Proposed Changes to Impact Aid" (Pub. L. 81–874) (As submitted to Congress on February 28, 1978). March 1, 1978.

[4] CSR, *"Impact Aid: P.L. 874 School Maintenance and Operations,"* Issue Brief No. IB77033. Update—Feb. 24, 1978, p. 9, Figure 1.

1. A study should be commissioned to recommend other methods for providing such funding to localities. While category 3"C" (low rent housing pupils), a recent addition to the impact aid formula, could easily be funded through Title I funds, another approach would be needed to deal with the more general federal impact associated with governmental installations and employment in an area.

2. Any recommendation for change in the impact aid formula should be made with sufficient time given to local school systems to study the proposals and make recommendations, and the complexity of local issues should be taken into account. For example, the total value of real property that can be taxed to fund the cost of each student's education in a locality, the true tax rate at which a locality is taxing itself in support of education (based on the value of real property, number of students educated, and existing tax rate), and the level of the cost-of-living in the locality are factors which should be considered.

3. There should be no cutback of funds after school districts have prepared their budgets, since this causes unnecessary problems for the localities. Strong consideration should be given to advance or forward funding of impact aid funds.

We feel that "adequate" funding is necessary, and that the federal government lessens the usefulness of such funding when *all* funds are earmarked for specific programs. Impact aid provides a revenue without "strings" to the recipient localities. As long as we continue to have federal installations in certain areas, providing no tax base, and as long as federal employees continue to settle in neighboring communities, the federal government will need to support local education through a program such as impact aid. Recognizing these factors, we suggest that this perennial attack on impact aid be abandoned (especially in view of the loss of the out-of-state civilian "B" category two years ago), that alternatives be sought, and that we all get back to the business at hand—educating our children.

Mr. KILDEE. Thank you very much, Ms. Pearce, for your testimony. I have no questions. Congressman Harris.

Mr. HARRIS. I just express my thanks for your testimony and say to you that I wholeheartedly endorse your last comment. I would like to think of a year that we go through without conducting this impact aid fight. I guess it is worth it, but I would wish they would call a truce. Maybe if we do a good enough job this year they will be convinced that marching up to the Hill is not a good idea.

Mr. KILDEE. Congressman Heftel.

Mr. HEFTEL. Thank you very much, and I suppose we might put into the record as we close, there seems to be a very deep concern, if not fear, over those funds which are not totally controlled as they go from the Federal to the local levels, and that might be an issue that will have to be addressed elsewhere. Thank you very much.

Mr. KILDEE. Before concluding I would like to submit for the record testimony submitted by David A. Shonerd, a citizen. We do count citizens around here.

[The statement of Mr. Shonerd follows:]

PREPARED STATEMENT OF DAVID SHONERD

My name is David A. Shonerd. I have lived in Annandale for the past 12 years. I am a Virginia resident. I am also the President of the Camelot Civic Association but I am speaking tonight as a private citizen. I have four sons all of whom have gone through the public school system. I have had no dependents in public schools since last year. Therefore I have nothing to gain if Impact Aid is continued however I feel obliged to speak in favor of the reenactment of Public Law 81–874 to include the provision for funding to maintain the present formula of Impact Aid. I see no reason for curtailing Impact Aid as it presently exists.

I am a retired naval officer. Since becoming of school age in 1951, my children have attended public schools in such communities as Providence, Rhode Island, Newport, Rhode Island, Nassau County, New York, Naples, Italy, San Diego, California and Virginia. I paid no taxes in any of these communities in support of their education except in Virginia. Without Impact Aid the citizens of those communities where I did not contribute tax dollars would have had to take on the extra burden of paying for the education of my children. Either that or the school budget would have been reduced and thus the standard of education for all students would have been lowered.

Since my children have all graduated from public school, as I have said, I have nothing to gain if Impact Aid is continued. However, if it is discontinued I have something to lose. I have two grandchildren attending Fairfax County schools. If Impact Aid is dropped or curtailed, either their education will suffer or my taxes will be increased. I do not feel that either of these alternatives is equitable. My case, of course, is not unusual. It can be applied to literally hundreds of thousands of individuals.

While I don't pretend to understand the details of the funding formula for Impact Aid, nor the intricacies of the subtle changes to this formula as proposed by the administration, I do understand that these changes can only affect the education of public school students adversally and I do not think that this is in the best interests of our community or in the best interests of any one else's community.

Thank you.

Mr. Kildee. I want to thank all of you for your testimony, particularly those who waited so late, for your patience. I want to thank Congressman Harris for urging us to come to Alexandria after Secretary Califano made his impact aid proposal last week. These hearings have given us an opportunity to hear from those who would be very profoundly affected by Mr. Califano's proposals. We will definitely be helped by the testimony given tonight.

Mr. Harris. Mr. Chairman, before we adjourn, may I just say to you and my distinguished colleague from Hawaii—who also serves on the Civil Service and Post Office Committee with me—my sincere appreciation for the time that you have spent, and the care that you have given to the witnesses; and also to the staff, who actually are pretty fortunate because they get time-and-a-half——

[Laughter.]

Mr. Harris. I guess I have not gotten my resolution passed yet.

I sincerely do, though. I happen to know the day you put in with regard to your legislative duties, and to spend the time to hear my constituents testify on this very important problem was, I think, a great contribution that I certainly appreciate a whole lot. I want to assure especially my colleague here from Hawaii, that should he want me to come out to listen to his constituents——

[Laughter.]

Mr. Harris [continuing]. —That I would be glad to cooperate.

Thank you very much, Mr. Chairman.

Mr. Kildee. Thank you, Congressman Harris.

The committee stands adjourned.

[Whereupon, at 11:35 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.]

[Additional material submitted for the record follows:]

February 17, 1978.

Hon. Carl D. Perkins,
Chairman, Committee on Education and Labor, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: The parents, teachers and students of Fairfax County, Virginia, as are parents, teachers and students throughout the United States, are deeply concerned about your deliberations on the future of impact aid. The continuation of this program or one similar to it, is vital to the maintenance of the high standards of quality of education which this financing has permitted. A sudden cessation of this aid would result in financial chaos for school districts in the United States.

Attached is a copy of a resolution recently passed by our membership.

Your interest and concern in the continuing education of our youth is sincerely appreciated.

Cathrine D. Glashan,
Legislative Chairman,
Fairfax County Council of PTA.

Enclosure.

Fairfax County Council of PTA's

RESOLUTION

Whereas, Pub. L. 81–874 will expire at the end of fiscal year 1978 and can only be continued through reenacted legislation;

Whereas, Fairfax County and every county in the Commonwealth of Virginia benefits from federal impact aid to its public school system;

Whereas, federal ownership of property reduces local general tax income and federal projects or activities cause an influx of persons into a community, resulting in an increased number of children to be educated;

Whereas, as in the case of subsection 3(b) entitlements for children of persons who work on federal property outside of a school district, a federal obligation remains since nearby federal property and activity have nevertheless attracted federally connected children to the school district, causing both school enrollments and costs to increase;

Whereas, Section 3 entitlements are specifically intended to compensate school districts for financial burdens associated with school children whose parents live or work on tax-exempt federal property whether there are 10 or 10,000 such federally connected children in a school district;

Whereas, school district taxing authority in many areas is particularly dependent upon residential or commercial property taxation, with the result that tax-exempt federal property can cause economic hardships for school districts notwithstanding other economic benefits that might accrue to the total community or general purpose governments;

Whereas, although a number of the suburban school districts around Washington, D.C., have traditionally received large Section 3 payments, these school districts are among the dozen largest in the nation; impact aid accounts for less than 10 percent of total current expenditures in each case, and the 1974 Amendments phase out funding for Subsection 3(b) children whose parents work on federal property located out-of-state, thereby reducing their payment levels;

Therefore be it resolved, That the Fairfax County Council of Parents and Teachers of Fairfax County, Virginia, urges:

That the United States Congress reenact the enabling legislation and provide funding to maintain the present formula of impact aid.

Maryland State Department of Education,
Baltimore, Md., March 2, 1978.

Hon. Carl D. Perkins,
Chairman, House Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.

Dear Mr. Perkins: It has been called to my attention that you will be chairing a public hearing in the Alexandria, Virginia, City Hall at 7:30 p.m. on the evening of Monday, March 6, 1978. Contact with your office staff indicates that the main topic of that hearing will be Public Law 874, Impact Aid to Public Schools.

The Maryland State Department of Education would, under normal conditions, send a representative to that hearing to express our concern for the perpetuation of the integrity of the Impact Aid legislation. It is however difficult to prepare a meaningful testimony on such a short notice and without having first studied the administration's proposal made public on Tuesday, February 28.

Maryland presently receives over $25 million to assist with the education of those children in areas which are imbalanced by the presence of a concentration of non-taxable federal properties. A careful examination of some of the administration's preliminary proposals results in a projected loss of over $5 million for our State. Such a reduction would negate the intent of the basic 1950 legislation and does not represent the intent of the Congress.

More details and supporting data can be provided to your staff upon request. In general, however, I urge your continued support of this program and appreciate your leadership and guidance on behalf of all children.

Sincerely,

DAVID W. HORNBECK,
State Superintendent of Schools.

BOARD OF EDUCATION OF MONTGOMERY COUNTY,
Rockville, Md., March 1, 1978.

Hon. CARL D. PERKINS
Chairman, House Education and Labor Committee,
2365 Rayburn House Office Building, Washington, D.C.

DEAR MR. PERKINS: Today the news media indicated that you will chair a public hearing in the Alexandria (VA.) City Hall at 7:30 p.m. on Monday, March 6 concerning the education proposals set forth yesterday by President Carter. Although we have not received a copy of the proposals it is apparent from the news reports that they will have considerable influence on local education agencies throughout the country.

A contact with your staff indicated that your primary interest in this public hearing will deal with impact aid (P.L. 815 and P.L. 874). Therefore, although we would prefer to examine in detail the totality of the administration proposals in terms of program and fiscal implications, because of the importance of impact aid funds to this school system we hope you will make this letter a matter of record at the public hearing.

You are aware that Pub. L. 93-380, Education Amendments for 1974, made substantial changes in the Impact Aid Program. A major change was to eliminate from eligibility those students whose federally-related parents are employed "out of state." This removed some 14,000 students from eligibility in our school system which has a current enrollment of about 112,000 students. Since enactment of that law we have received impact aid funds through the hold harmless provisions.

The proposal by President Carter includes among other changes the exclusion of eligibility for those students whose federally-related parents are employed "out of county." Thus, it appears as though there is a constant eroding away of the basic concept upon which the Impact Aid Program was enacted in 1950. We have been pleased with action by the Congress over the years to blunt the intent of several presidents to severely curtail what we believe is a program with considerable equity in terms of federal impact in relation to the burden faced by local taxpayers.

To illustrate the importance of federal impact, there is $318.9 million of exempt federal property in this county. If this property was taxed (as is the case with other employers and home owners) the county would receive about $12.5 million in revenue. Under the current Impact Aid Program this year we will receive between $2.5 million and $4 million dependent on action to be taken by the Congress and President Carter on an FY 1978 supplemental appropriation.

Of the 112,000 students enrolled in our school system, approximately 25,000 students come from homes where one or both parents are in federal employment. This constitutes over 22 per cent of the student body. Obviously there is a considerable double negative effect when on the one hand so much federal property exists in an exempt status on the tax roll and on the other hand the only fiscal support to the school system is the tax paid by the home owner. The result negates the long-standing philosophy that local tax burdens should be split 50–50 between employer property and employee property. In the instance of so much federal property this equation is obviously distorted.

These data are cited to make a plea that the Impact Aid Program be continued in such a way that all federally-related students are eligible for impact aid funds. We believe that a sense of fair play and equity support this plea. Your committee has demonstrated considerable leadership and influence in attempting to keep the impact aid concept viable in the face of observable hostility from the executive branch and some members of the Congress. Therefore, we express much appreciation to you and your committee and also the hope that you will be instrumental in effecting those amendments which will result in continuation of the Impact Aid Program as it was before the serious inroads inflicted through Pub. L. 93–380.

We will be pleased to provide any additional documentation that you or any members of your committee need from a typical local school system which is adversely impacted by the presence of the federal government and the exemption of so much real property upon which most of our tax source must depend. As stated above, I will request that you make this letter a part of the record for the March 6 hearing.

Sincerely yours,

ELIZABETH W. SPENCER, *President*.

STATEMENT OF MARGARET S. MARSTON ON IMPACT AID

Mr. Chairman, Members of the Committee, Ladies and Gentlemen, my name is Margaret Marston. My husband and I live in Arlington County, Virginia and have three children in the Arlington County public school system. We have both been very active in school affairs. Both of us have been PTA Presidents, have served on numerous school and County advisory committees, and I have served as a member of the State Board of Managers of the Virginia Congress of PTs.

The PTA has been concerned with the impact aid issue for the last few years and at its last state convention the membership adopted a resolution stating that the funds from impact aid should be continued to those localities where there is federal presence and that these funds should not be reduced by more than 10 percent each year.

As a private citizen, and with the endorsement of Mr. Edd Williams, President of Arlington County's Council of PTAs, I have gathered my thoughts and my nerve to speak before you tonight.

I am opposed to Mr. Califano's changes in impact aid funds. The loss of such a substantial amount of money over the next three years would place an undue burden on our community.

I am told by County officials that the federal government owns approximately 25 percent of our land, and if that land were to be taxed, I am told an additional 9.8 million dollars would be realized for our County.

I thought the main reasons impact aid funds were distributed in the 1950s were to: (1) Compensate localities, in a small way, for the federally owned land, and (2) to help defray the costs of educating additional children that the federally owned installations brought to the area.

Arlington County has a total school budget of $48 million. The impact aid funds amounted to $1.8 million. Any reduction in impact aid funds will simply mean an additional cost burden at the local level for Arlington County citizens. This fund isn't really aid or assistance, but a token payment for federal presence. With the inequitable situation now existing—$1.8 million aid versus $9.8 million in lost taxes—I'm shocked that the allocation isn't being increased to meet the rising costs of everything.

Isn't the federal government willing to help a community which houses so many of its employees? Arlington has the military family who frequently shops in the commissary, lives on bases, and doesn't generate much tax revenue for the County. Arlington has diplomats who reside in our County and pay no taxes at all for the services they obtain, including education. Arlington has congressmen and senators who, as I understand it, often do not add to our state tax base.

Aside from rising school costs, of which over 80 percent is funded locally, Arlington faces large Metro payments for our transportation system. Arlington also confronts a possible loss of state funds for our schools (and even before these proposed cuts, Arlington has seen only 30 percent of its state taxes returned to it), and now we must face the possibility of a federal cut in impact aid. The apparent justification for the federal cuts relates to an assumption that we are an affluent community and thus can survive. I say we cannot survive.

VIRGINIA EDUCATION ASSOCIATION,
OFFICE OF THE PRESIDENT,
Richmond, Va., March 3, 1978.

Hon. CARL PERKINS,
Chairman, House Education and Labor Committee,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: I am writing this letter on behalf of the 44,000 members of the Virginia Education Association. Because of the late notification of the hearing you are conducting March 6, 1978, I am unable to be in attendance to testify regarding impact aid funds for Virginia. However, I am submitting this letter on behalf of educators and children in Virginia with reference to this particular issue.

I would like to encourage you and the members of the House Education and Labor Committee to oppose any efforts to eliminate the impact aid fund. The state of Virginia would lose between 37 and 40 million dollars in federal aid if Congress decides that these funds are to be eliminated. Such an action would have a devastating effect on public education in the Commonwealth. Virginia has been experiencing financial problems as I am sure many other states are as well. A withdrawal of funds at this time or in the near future would cripple education as we know it in this state and country. As an educator and a member of the Virginia Education Association, it is very distressing to learn that the Carter Administration (or any other for that matter) is advocating the elimination of these funds. At a time when much pressure is being applied to the schools to increase their efforts to better educate the children and youth of this nation, and when increases in the total education budget are needed, it is ironic that this categorical item is proposed for elimination.

Further, I would like to stress three additional points relative to impact aid.

1. There is a strong need to simplify the method of computing the amount of the air which school districts are entitled to receive. The method should incorporate the state or federal average per pupil expenditure rather than figures from comparable districts.

2. Payment should be made no later than October 30 to school districts at 75% of the previous year's payment, with adjustments made later based on actual current year data. This would greatly facilitate local school districts in utilizing the money for education expenditures during the school year for which the funds are earmarked.

3. Guarantee full payment for all children of military personnel (A & B category children) in heavily impacted districts, i.e. Fairfax County has a high percentage of military personnel; therefore, if impact aid funds are eliminated, it would lose $13 million in impact aid funds.

Fifty-nine counties and three towns in the State of Virginia require impact aid and therefore, would be adversely effected if these federal funds are withdrawn from our state. As you can see, and I underscore again the point I raised earlier, such a withdrawal of funds would have a devastating effect on education in the Commonwealth. I strongly urge you to retain the funding of the impact aid provisions for public education.

Thank you very much for your consideration of this matter and for the open hearing which allows members of the public to come forward and to speak relative to this issue.

Sincerely,

MARY HATWOOD FUTRELL,
President, Virginia Education Association.

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